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Congressional Record

SEVENTY-FIFTH CONGRESS, SECOND SESSION

SENATE

WEDNESDAY, DECEMBER 8, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, December 7, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, before proceedings with the bill under consideration, it is necessary to have a quorum. I therefore suggest the absence of one, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Pittman
Andrews	Davis	Lee	Pope
Ashurst	Dieterich	Lewis	Radcliffe
Austin	Donahay	Lodge	Reynolds
Bailey	Duffy	Logan	Russell
Bankhead	Ellender	Lonergan	Schwartz
Barkley	Frazier	Lundeen	Schwellenbach
Berry	George	McAdoo	Sheppard
Bilbo	Gerry	McCarran	Shipstead
Borah	Gibson	McGill	Smith
Bridges	Gillette	McKellar	Steiwer
Brown, Mich.	Glass	McNary	Thomas, Okla.
Brown, N. H.	Graves	Maloney	Thomas, Utah
Bulkeley	Guffey	Miller	Townsend
Bulow	Harrison	Minton	Truman
Burke	Hatch	Moore	Tydings
Byrd	Hayden	Murray	Vandenberg
Byrnes	Herring	Neely	Van Nuys
Capper	Hitchcock	Norris	Wagner
Caraway	Holt	Nye	Walsh
Chavez	Johnson, Calif.	O'Mahoney	
Clark	Johnson, Colo.	Overton	
Connally	King	Pepper	

Mr. LEWIS. I announce for the RECORD that the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES] are detained by illness.

The Senator from New Jersey [Mr. SMATHERS] is detained by illness in his family.

The Senator from Rhode Island [Mr. GREEN] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I have been requested to announce that the senior Senator from Maine [Mr. HALE] is absent for the same reason stated yesterday.

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present.

REPORT OF THE SECRETARY OF COMMERCE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1937, which, with the accompanying report, was referred to the Committee on Commerce.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman and secretary of the Reconstruction Finance Corporation, reporting, pursuant to law, relative to the operations of the Corporation for the third quarter of 1937, and for the period from the organization of the

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Corporation on February 2, 1932, to September 30, 1937, inclusive, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITION AND MEMORIALS

Mr. COPELAND presented a memorial of sundry citizens of Hudson, N. Y., remonstrating against the making of reciprocal-trade agreements with European countries pertaining to textiles and shoes, and favoring a protective tariff on such goods, which was referred to the Committee on Finance.

He also presented the memorial of members of Allegany County (N. Y.) Pomona Grange, Patrons of Husbandry, remonstrating against the enactment of the so-called Black-Connery wages-and-hours bill or any similar measure, which was ordered to lie on the table.

He also presented a petition of sundry citizens of New York City, N. Y., praying for the enactment of the bill (H. R. 1507) to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching, which was ordered to lie on the table.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERTON:

A bill (S. 3106) granting an increase of pension to Jennie Stubbs; to the Committee on Pensions.

By Mr. ANDREWS:

A bill (S. 3107) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, authorizing the Secretary of War to extend the services and operations of the Inland Waterways Corporation to Pensacola, Fla.; to the Committee on Commerce.

By Mr. CONNALLY:

A bill (S. 3108) for the relief of W. Connally Baldwin (with accompanying papers); to the Committee on Claims.

By Mr. JOHNSON of Colorado:

A bill (S. 3109) for the relief of the widow of Joseph C. Akin; to the Committee on Claims.

AGRICULTURAL RELIEF—AMENDMENTS

Mr. POPE submitted an amendment intended to be proposed by him to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to Senate bill 2787, the agricultural relief bill, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 82, between lines 21 and 22, to insert the following new subsection:

"(k) Notwithstanding any other provision of this act, in establishing a marketing quota for any farm, the economic situation of the farmer, whether owner, lessor, or sharecropper, shall be taken into consideration, and no marketing quota shall be established for any farm if the amount of the commodities which the farmer would be permitted to market under quota restrictions would not yield sufficient income to meet the normal needs of the farmer and his family, and to provide the farmer a reasonable return upon his farm investment: *Provided*, That to the extent that the total marketing quotas for any commodity may be increased for any year, as herein provided, then such marketing quotas for any such commodity for such year applicable to and established for any farm or group of farms in a common or single ownership producing on an average more income than is necessary to meet the normal needs of the owner of such farm or farms,

shall be decreased to the end that such total decreases shall balance such total increases as authorized and provided herein: *And provided further*, That the Secretary of Agriculture is hereby authorized and directed to make, promulgate, and establish rules and regulations for carrying into effect the policy and provisions of this subsection."

TAX LAWS AND BUSINESS CONDITIONS

Mr. GIBSON. Mr. President, Vermont is made up largely of small communities, many of which are built around some small industry which takes care of the employment situation of its immediate vicinity. When anything occurs to disturb the local industry, the whole community is affected. Most of our towns or villages are in deep trouble owing to the present business slump.

In association with the junior Senator from Massachusetts [Mr. LODGE], I ask unanimous consent that there may be published in the CONGRESSIONAL RECORD a telegram from Mr. V. C. Bruce Wetmore, of Bondsville, Mass., which portrays a condition with respect to his community strikingly similar to the situation in a large number of Vermont towns.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

I own half interest Boston Duck Co., Bondsville, Mass. Up to August we had 500 employees, now have 4 watchmen. Only industry in the town. Employed young and old; in fact, anyone who lived in the town who could walk to mill. Whole town asking me when can expect to put them to work. Fine community working in mill for three generations. Our surplus all spent. Can't go any further without orders. How, under present conditions as brought about by this administration and present tax laws which affect the entire country, can I expect to put them back to work?

V. C. BRUCE WETMORE.

GOLD AND SILVER LEGISLATION

[Mr. PITTMAN asked and obtained leave to have published in the Appendix of the RECORD a letter written by him to Edward A. O'Neal, president of the American Farm Federation Bureau, in reply to certain inquiries made by Mr. O'Neal relative to gold and silver legislation, and so forth, which appears in the Appendix.]

DISABLED AMERICAN VETERANS OF THE WORLD WAR

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address delivered on November 8 by Mr. Maple C. Harl, national commander of the Disabled American Veterans of the World War, which appears in the Appendix.]

BUSINESS CONDITIONS IN AMERICA—WHAT IS THE MEANING OF THE "RECESSION", SO-CALLED?

Mr. LEWIS. Mr. President, I beseech the Senate to give me its audience for a few moments. I desire to submit some suggestions on a subject aside from the pending bill.

Mr. President, I put the query to this honorable body: What is the matter with America, and what is the matter with the people?

This morning from the press we read that the New York stock market—to take but a single barometer—has fallen precipitously for many weeks; that throughout the East uncertainty and general fear prevail; and that the belief prevails that this major recession has been caused to no small degree by the New Deal policies in general, and the tax laws of the Roosevelt administration in particular. It is said that this belief has become so general that for the first time since 1930 there appears to be a majority in Congress disposed against the administration and in behalf of the businessman. How can anyone be for the businessman and not be for the President? The President has constantly announced his advocacy of the business of the businessman.

Mr. President, I call to the attention of the Senate this statement. I invite you to consider also the fact that a statement of a similar nature comes now from San Francisco, Calif. I so read. I ask my colleagues, What does it mean that there should be in different parts of our country at this particular time such a concurrence by chosen voices in the denunciation of their own country? There is a union of these agencies in a condemnation of the administration of their Government. All this is, in such unison as we are now

having it, disclosing for its purpose an intention to depress the confidence of our people in our own country, and evidently to drive the Members of this honorable body and their colleagues in another body to some purpose of those who are the authors of the system and inaugurated the conspiracy.

Mr. President, I invite the attention of my honorable colleagues to the fact that last night, in one of our great cities of the Republic, there arose a voice ostensibly in behalf of what are defined as manufacturers; another voice in another city raised up in behalf of what was said to be the expression of economists; and, in another part of the United States, a voice in behalf of what was said to be peace and confidence. We observe, sir, that each of these assailed their country on the same ground. These spokesmen attacked the administration for the same purposes. Each charges in similar phrases to each other that the country is falling into dismembered fragments. It is announced that the finance of the banks is frustrated and the credit of the country assailed to echo through the world. The standing of our country is so diminished by accusation as to leave it unworthy of the confidence of an American.

Mr. President, one looks in vain to find a justification for this sort of thing. We note we must feel that the manufacturers and finance are misrepresented. I again ask, Where in truth is this country? How in truth does it stand?

I concede, sir, that, in the ordinary mutations of business and commerce in all seasons, and daily, stock markets rise and fall; but behold this country as it stands as to honest material of just speculation on exchange! Our credit in finance today is greater than that of any other country on earth. Our standing before the world in credit is the very highest. Business in our land is prosperous, barring one or two instances, such, for example, as the decrease for a while in the demand for steel as building moves slowly and, if you please, something of a decadence in the construction or selling of automobiles, caused by war, of nations decreasing export sales.

If you please, sir, turn about you, see the spectacle! The vaults of the banks are stifled with money. Our national credit is so high that on but day before yesterday the bid for the bonds of the Nation in a new Treasury finance exceeded by 15 times the necessity. These bonds pay but $2\frac{1}{2}$ and $1\frac{1}{2}$ percent.

At this time we behold, sir, seven great nations of the world tendering us their securities bearing from 5 to 7 percent, while the great commercial bodies all around us of an industrial nature—in many respects of the highest class—heretofore yielding splendid profits, tender their securities bearing from 5 to 7 percent. Yet our people demonstrate their confidence in the administration here in government, in the Treasury and its securities, in such manner as you have seen from time to time, particularly during the past few days, giving their preference and their confidence to the securities of the United States.

Sirs, there must be some reason behind these assaults which seem to come from so many quarters, so very far apart geographically, and yet seemingly of the same consistency, and almost of exactly the same language. Surely Senators will have interest enough to ask themselves the question, "What is the purpose of this? Is it the hobgoblin of deranged minds?"

In one instance we are told from the East, "It is the Roosevelt tax laws." In another instance we are told, "It is the New Deal measures." In still another instance we are told, "It is the general policy of the administration."

What particular policy do these gentlemen refer to that has adversely affected the credit of this country? What particular thing do they assert has decreased, if you please, and demeaned the credit of the National Treasury? The President accedes to the business demand of the power companies, and to reducing and abolishing the taxes claimed to be burdensome. Business, finance, and agriculture are now in full cooperation. Is not that the state of completion of full confidence, trust, and success?

Where is the particular thing to which the megaphone, banquet, and radio proclaimers allude as causing the stock market to rise and fall that is of a legislative character? Is this the standing claimed as cannot be respected by honest men in the land? We ask the commanding question here: What is the motive behind these assaults, as well as what is the reason of these combinations concurring one with the other in misrepresentations of all true business and faithful business organization?

Mr. President, I beseech the Senate to hear me while I invite them to a bit of the history of the country. Do Senators feel there is something new in this particular course that has been taken at this time? Indulge me to the point of vexing your patience. I speak of that which is within your memory. I shall not hark back beyond that merely to recite recorded history.

In 1914, the off year after the election and preceding the Presidential election in 1916—and I hope the leaders of both political parties will catch this, because each participated in legislative action during the time—the World War was on the world. Promptly in 1914 there arose in this country suddenly and all at once a general assault upon the credit of the United States. There arose a hiss and scorn upon and a denunciation of anything there was of government. The result was that we could not get a cent to bring the farmers' goods to the railroads. We could not get the money to ship his goods to the consumer. The then Secretary of the Treasury, now the junior Senator from California [Mr. McAdoo], took the step, with the aid of the President, in putting the Treasury behind agriculture to get the products to the market.

At this time the securities of our land fell on the stock market with great suddenness; fright existed all over the land. Eminent gentlemen supposed to represent finance and commerce began denunciation upon their country. The administration was held up before the world as lacking worth or confidence in various respects. One charge was that our Nation did not join in war with haste. Then, secondly, the charge was made that the policies under the Wilson administration were the kind destructive of business, of credit, and of honor.

It may be that Senators feel that these charges initiated this feeling of unrest. Far from it. It was the product of the design. Hear me while I recite that under Theodore Roosevelt in 1906 and 1907, in the off year, war was going on between Russia and Japan, and promptly, with suddenness, came an assault on this distinguished President and his policies, denying him the right to respect, withholding the people's confidence from him. He was demeaned as lacking in intelligence. He was accused of being an anarchist and his legislation of being destructive to all principles and products of America.

It was then that in this honorable body Senators were compelled to find their recourse as refuge in different forms of legislation, some of which went by the name of railroad legislation and others by designation of Treasury finance.

But the fact is evident that we see how absolutely duplicated today is of that which was in 1914 an off year. Now, in the off year of this administration, while war is pending in Asia, occupying all of Asia, war in Europe induced by conditions in Spain, with a terror hanging over England and France because of Germany and Russia, we find the very same element throughout the land, directed by certain influences of the exact nature, duplicating the very conduct that we saw during these other days of war and under similar circumstances and situations. Behold the similarity and answer, "Why?"

We ask, "What does it mean?" May I ask the question of you, Mr. President, Is it possible that these eminent speculators throughout the country bide their time to depress the stocks of their own Nation and then to purchase them in, and then to raise the price to the highest possible mark; then seize the products of the farmer from the farm, the results of the manufactures from the factories, at the very lowest prices to which they have been depressed, and then

lift them to the very highest prices that monopoly will induce, and so sell them to the great profit of the manipulators? Is not that just what was done under the war days of 1914, following what was done under the war days in the time of Theodore Roosevelt in 1906 and 1907?

Now, what do we find? Is it possible, I ask, that these speculators have conceived that if they can start a policy in this Government of making every human being feel that whatever stock he possesses is already tainted with utter failure and dishonor and every form of undertaking is likewise, if you please, decreed to its death, that from this result they can frighten the body which we know as the Securities Commission from any further enforcement of the law that compels the showing of a just amount of property behind a stock before it can be issued? Is it possible these masters at last conceive again what they did in 1907 and 1914, and what we know they did in 1929—that by doing this they can have those who are possessed of anything dispose of it at any figure, and they can then issue new stock in the form of certificates with nothing to sustain it but water and audacity, and then sell those stocks to America under whatever guise they please, while their rottenness will rob the widows, cheat the poor, and leave the country bereft of its financial honor?

Let us have no misunderstanding. Let us have a true understanding. I propound to my honorable colleagues of whatever political faith, How could there have been in San Francisco in one night, in the city of New York the same night, in a town in New England the same evening, and in the city of Washington the same noon, the very same speeches upon the very same ground? I hope the honorable gentlemen of the press will not fail to note that I openly charge that it could not have been done without some understanding had preceded it. There is no system which the mind can devise and now pronounce that there could have been an induction of that nature to the undirected mind that such could have expressed itself in harmony of words except that their minds were completely dominated by suggestion or direction from some superior, subterranean, and controlling force.

We come to the point. Here are the businessmen of this country anxious to join with the President, the President anxious to join with them, in complete communion and harmony. There is not the slightest dissatisfaction among those who are the real business. The toilers heretofore seem to have smoothed out their conflicts in the unions and are living together again in harmony, while we stand before the world everywhere with credit undisturbed, with honor conceded, with the very highest degree of commercial grandeur. We are the one and only nation in the world wholly at peace with itself. There are no riots in our land among our people. There are no disturbances among our people from fright or terror. There is no sense of abhorrence or shuddering upon the theory we are on the verge of war. There is nothing that indicates an alliance, or can be, with foreign forces to join with them in controversies they may have with their neighbors in the prospect of war they may have with other nations.

Why should the countrymen in our own land choose to dishonor our own country by discrediting it upon a false basis and holding it up before the world as unworthy of legitimate confidence that attends all business enterprises? Who is it that will profit by this?

When those gentlemen, whoever they are, which have frightened the poor woman with a small security to have her sell it at a complete loss and robbed the estates of the little possessions which they may have from which income may have been afforded, and then the little-business man shall be compelled to get rid of what he possesses on the ground that what he has is a loss and then induced to enter doubtful investments again, this result will reproduce exactly the situation of 1929-30. Will those people who are the creators of the desecration have been rewarded when they have brought disaster upon their own people, set dishonor upon their own Nation, and brought disgrace upon their own countrymen?

Where are those who are to be called statesmen? Let us give out a word from this honorable body. Those people are deceiving none who have intelligence. They will not be further allowed to mislead those of patriotism. The point is clear, the understanding is evident, that the dishonor behind it is one that has been clearly calculated to result in confusion and embarrassment.

On this floor at this moment, daring to be something of a spokesman for my honorable colleagues on both sides of the Chamber, I announce the time has come when we here reveal these people and now declare to them that this Government will not yield to speculators in their offense nor to speculators in their crime. This is a Government of patriots who will sustain their country by every sacrifice. This is a body which will stand squarely in defense of our country. We insist upon the indulgence and enjoyment of prosperity by its whole people and the patriotism of this Nation to denounce and punish all conspiracy against the people and the Nation of America.

I thank the Senate for allowing me to break into the debate at this time. [Applause on the floor.]

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. The clerk will state the pending amendment.

Mr. BORAH. Mr. President, before we take up the next amendment I should like to know what became of the amendment of the Senator from Louisiana [Mr. OVERTON]. It was passed over last evening, and I want to call it up, if I may do so this morning, because if it is adopted it will in part take care of another matter which I have in mind.

The PRESIDING OFFICER (Mr. LOGAN in the chair). If there is no objection, the amendment of the Senator from Louisiana [Mr. OVERTON], referred to by the Senator from Idaho [Mr. BORAH], will be laid before the Senate for consideration.

Mr. OVERTON. Mr. President, the amendment I proposed has been thoroughly discussed on two different occasions before the Senate. Yesterday the junior Senator from Washington [Mr. SCHWELLENBACH] expressed a desire to postpone consideration of the amendment until he had an opportunity to study it further. He advised me this morning over the telephone that he has no objection to the amendment.

The purpose of the amendment is simply to protect soil-conservation payments.

Mr. McNARY. Mr. President, I think the amendment should be stated before the discussion proceeds.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 11, it is proposed to strike out lines 18 to 25 and to insert in lieu thereof the following:

(c) Notwithstanding any of the provisions of this act, parity payments for cotton, wheat, and corn in any marketing year shall be computed on the basis of the payments available under the Soil Conservation and Domestic Allotment Act, as amended, in case such payments are greater than the payments available under this act.

Mr. OVERTON. Mr. President, as far as I know, there is no Senator now objecting to the amendment. I ask the junior Senator from Washington, whom I see in the Chamber, whether he suggests any modification of the amendment, or whether he is satisfied with the amendment as it is now proposed.

Mr. SCHWELLENBACH. Mr. President, if the Senator will yield, I have discussed the amendment with the Department this morning, and they have no objection to it. Therefore I withdraw any objection I might have had to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Louisiana to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

Mr. McNARY. Mr. President, yesterday I asked that the amendment on page 19 be passed over, and that order was made. I am ready to make inquiry concerning it now if the RECORD made yesterday is as I have stated it.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 19, after line 9, it is proposed to insert the following:

(c) Adjustment contracts shall require a cooperator engaged in the production of wheat or corn for market to store under seal his stock of the current crop thereof up to an amount not exceeding the normal yield of 20 percent of his farm's soil-depleting base acreage for such commodity if the Secretary, at any time during the marketing year for such crop or within 30 days prior thereto, determines that such storage is necessary in order to carry out during such marketing year the declared policy of this act with respect to the commodity; but such storage shall not be required if the Secretary has reason to believe that during the ensuing 3 months the current average farm price for the commodity will be more than the parity price therefor. Such storage shall be for the period of the marketing year or such shorter period as the Secretary shall prescribe. Cooperators shall be entitled to obtain from the Surplus Reserve Loan Corporation surplus reserve loans in respect to stocks stored as required by the Secretary under this subsection.

Mr. McNARY. Mr. President, in reading the amendment yesterday it occurred to me that this might work an imposition upon the producers of wheat and corn. As I read the amendment whenever a crop is harvested, what we call a current crop, not to exceed 20 percent shall be sealed and stored, whether in the farmer's home, or in a cooperators' elevator, or in one privately owned. It also provides that this must be done. Then on line 15 this provision appeared:

If the Secretary, at any time during the marketing year for such crop or within 30 days prior thereto, determines that such storage is necessary in order to carry out during such marketing year the declared policy of this act with respect to the commodity—

And so forth. The interpretation I place on the amendment, the manner in which I claim it would work a hardship to the wheat and corn farmer, cotton being omitted, is that a producer would necessarily comply with the terms of the amendment and store 20 percent of his crop for the full year, because if the Secretary decided in the first 3 ensuing months, which would be, according to the bill, July, August, and September, that he needed the storage any time during the marketing year, which is 12 months, he could call upon the farmer for 20 percent of that which had been stored, and if the farmer did not have it stored, he would probably be subject to the penalty prescribed a few pages further in the bill for not reporting correctly, and be fined at least \$100.

If I have misconstrued the language, I should like to have it explained by the Senator from Idaho [Mr. POPE] or the Senator from Kansas [Mr. MCGILL], in charge of the bill.

Mr. POPE. Mr. President, I may say, to begin with, that the authors of the bill have agreed to strike out the provision with reference to the hundred-dollar fine in connection with the report. That may be of interest to the Senator.

Mr. McNARY. That is of very great interest.

Mr. POPE. With reference to the amendment now under discussion, my interpretation is that in the contracts it is provided that the Secretary may require storage not exceeding the normal yield, or 20 percent of the farm base. There is a proviso, however, as the Senator will note, to the effect that the Secretary must determine and carry out the policy of the act, and the further proviso that if he has reason to believe that the current price of the commodity will be equal to parity, then he cannot require the storage.

Yesterday the Senator was making the point that the amendments to the bill were more for the benefit of the grower than is desirable.

Mr. McNARY. Oh, no.

Mr. POPE. More to the benefit of the grower and less to the benefit of the consumer than is desirable.

Mr. McNARY. No.

Mr. POPE. That was my understanding of the Senator's position.

Mr. McNARY. Not at all. It is not in the interest of either grower or the consumer, in my judgment. We will leave it that way.

Mr. POPE. The Senator will observe that if the price should fall below parity the Secretary could require the establishment of the ever-normal granary. That is all this whole section means, as I understand it.

Mr. McNARY. The Senator may be wrong, or he may be right. I am thinking about the farmer. In my judgment it would not be safe for anyone who plants and harvests wheat or corn not to withhold from the market 20 percent of his product through the marketing year, which means 12 months, for fear that at sometime, quoting the language—

If the Secretary, at any time during the marketing year for such crop . . . determines that such storage is necessary in order to carry out during such marketing year the declared policy of this act.

The declared policy of the act is parity prices, the ever-normal granary, and a surplus reserve loan corporation. So, if this language means anything, it declares that the farmer shall place in storage 20 percent during the whole marketing year. It is possible that during that period the Secretary of Agriculture may release it, or he may not release it. To be safe, however, the farmer must keep 20 percent impounded during the whole year, and if he does so, it means he will have to pay storage charges, suffer the loss due to atmospheric depreciation, and interest paid to the corporation or the bank. That may represent the difference between a very large loss and coming out even in his crop year.

Mr. POPE. Mr. President, I call the attention of the Senator, in the first place, to the provision that not to exceed 20 percent is to be stored. The estimates which have been made by the Department and the Secretary are to the effect that perhaps 7½ percent or 10 percent would be all that would be necessary. At any rate, 20 percent is the maximum that might be stored, and the price of the commodity must be lower than parity.

Mr. McNARY. Of course, the Secretary might say 10 percent. I am speaking as a farmer. The market year begins June 1 and is 12 months in duration. The farmer harvests his wheat in July. In the face of this language I would feel it incumbent upon me, commanding upon me, to store at least 20 percent of the crop during the whole marketing year, whether it was released or not, because it provides that that must be done unless it is satisfactory to the Secretary.

Mr. McGILL. Mr. President, will the Senator yield at that point?

Mr. McNARY. Just a moment. It says, "If the Secretary, at any time during the marketing year, determines that such storage is necessary." Of course, but the Secretary has the whole year to determine that fact, and in order to comply with the mandatory language, and save himself from penalties, the farmer would have to keep stored not more than 20 percent of his crop. I think in most instances 20 percent would represent any profit he might make, if he received any at all, because he would have to keep the crop out of the current trade, keep it off the market, pay the storage, the insurance on the wheat, and interest on the money during the whole period. That is the language if I read it aright. It may be satisfactory, but I do not think it is, and I am suggesting to the Senator that we let this go over for sometime and seek to remedy it. I do not want to see a provision like this in the bill.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. McNARY. I very gladly yield.

Mr. McGILL. My interpretation of the language is a little different from that of the Senator from Oregon. The provision is that the Secretary may, during the year, require storage under seal of a portion of a farmer's stock of the current crop year—a portion of his stock. In my judgment that means such as he may have on hand at the time. It is his stock of the current year, not 10 or 20 percent of the current crop year, but 10 percent of his stock, such as he may have on hand. I do not believe it applies to a farmer

who might have disposed of his stock or requires him to seal his stock just to see what the Secretary is going to do. In addition to that, I assume the Senator recognizes the fact that the amendment is merely a transposition of language contained in the original bill to this point in the bill.

Mr. McNARY. That may be.

Mr. McGILL. I believe that the Senator, in construing this as meaning that 20 percent of the entire crop must be stored, is not giving a correct construction to the language. My judgment is that it means that if the farmer should have 20 percent of the crop on hand, then he might be required to store it; but it applies at any time during the marketing year as to the stock on hand.

Mr. McNARY. That interpretation cannot be given, because it does not say "stock on hand." On line 12, page 19, it says plainly "his stock of the current crop." What does "current crop" mean?

Mr. McGILL. His stock of the current crop, whatever he might have at the time.

Mr. McNARY. Not at all. The whole bill proceeds upon the theory of a carry-over, which is one thing; of putting it under seal, which is another thing; of the normal granary, which is another thing. The current crop means the crop of this year, not what he might have held over from 1933, or 1935, or 1936.

Mr. McGILL. I concede that if a farmer had on hand 20 percent of the crop of the current crop year, he might be required to store that amount under seal. In my judgment, this provision would not require him to keep it in order to see what action the Secretary would take.

Mr. McNARY. That is a half admission that is bad.

Mr. McGILL. No; it is not a half admission.

Mr. McNARY. If it is three-fourths of an admission, it is bad. As almost a full admission, it is bad. Whether it is stock held over or not, it is not fair to the farmer. But it means the current crop. The Senator cannot get away from that.

Mr. POPE. In a discussion a few days ago, and again today, the Senator from Oregon has referred to the cost of the storage, and has implied that that would be paid by the farmer. I may say to the Senator that there have been two corn loans, I believe, and in each case storage as a practical matter did enter into consideration. All the corn, or practically all the corn, was stored on the farm, without any storage charge to anyone. There is a provision in the bill that the commodity must be the exclusive security for the loan and, I assume, incidental expenses, and therefore, while in the ultimate the producer might have to stand the cost, the crop itself will be sold for enough to take care of the storage and the loan. If not, the Government loses that much.

So as a practical matter I will say to the Senator that under the experience in connection with the other loans the matter of storage has not been an important question.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The time of the Senator from Oregon on the amendment has expired.

Mr. POPE. Mr. President, if I may be recognized, I shall take the floor and yield to the Senator from Oregon.

Mr. McNARY. I appreciate that courtesy. The provision that I mentioned is written in the adjustment contract, that 20 percent of the current crop must be placed under seal.

Mr. POPE. Not exceeding 20 percent.

Mr. McNARY. Not exceeding 20 percent. That is in the contract. The farmer cannot get around that provision, because it is a contractual provision.

I wish to make a statement with respect to storage. We had experience in connection with the storage of corn when the Stabilization Corporation was operating under the farm bill. I wrote a report on that measure which was not favorable to the operation of the bill. It was clearly indicated at that time that the man who stores his wheat must pay and does pay 16½ cents a bushel per year for storage. So I say storage is a tremendous item. That item covers simply storage and does not include insurance and interest.

Mr. President, I thank the Senator from Idaho for yielding to me.

Mr. POPE. Mr. President, with respect to corn and wheat the conditions might be different. The farmer might not have on the farm the facilities for storing his wheat that he would have to store his corn. However, about all that can be said with reference to that is that the corn or wheat is the sole security for the charges. There is no personal obligation against the grower. If the corn or wheat when released from the granary does not sell for enough to cover the amount of the loan against it, plus any storage, then the Government will have to stand the loss, and not the producer.

I may say in conclusion on this amendment, that as to any ever-normal-granary plan objections may be raised such as have been made by the Senator from Oregon. However, I do not see anything in this provision, in the light of our experience in respect to other loans made by the Government that would make it unworkable or impractical.

Yesterday the Senator from Oregon referred to the Secretary of Agriculture, and particularly to the letter which the Secretary wrote to the authors of the bill. I may say that the Secretary of Agriculture is in full accord with this provision. It does tend to bring about the storage in an ever-normal granary for the benefit both of the farmer and of the consumer, and there is nothing in this amendment which is contrary to the generous attitude of the Secretary, which was approved by the Senator from Oregon in his discussion of the Secretary's letter. Therefore, I think it is a fair provision; with practical questions, of course, to be answered in the administration of the act. It certainly is not impractical, at least in the opinion of the Secretary, who will administer the act.

Mr. ELLENDER. Mr. President, yesterday during the debate with reference to an amendment appearing on page 14 of the bill, subsection (c), the question was asked by the able Senator from Idaho [Mr. BORAH] where we can find the constitutional authority for this bill. I proceeded to show, as well as I could, the similarity between the provisions of the pending bill and of the Soil Conservation Act, but because of lack of time the Senator from Idaho was unwilling to further discuss the Soil Conservation Act in connection with this bill.

With particular reference to the question of the able Senator from Idaho as to constitutional authority for this bill, I will first cite the Soil Conservation Act. That is the law of the land insofar as we are presently concerned. It is my information that the constitutionality of said act has never been determined, and judging from the attitude of the able Senator from Idaho [Mr. BORAH] it would seem that he thinks the Soil Conservation Act constitutional. As I pointed out during the debate on yesterday, at page 1332 of the Record, there is very little difference in the operation of the pending bill and the Soil Conservation Act. The able junior Senator from Idaho [Mr. POPE] presented a very comprehensive brief on the question when he spoke in favor of the pending bill sometime ago.

Mr. President, it is my view that the decision in National Labor Relations Board against Jones & Laughlin Steel Corporation gives ample authority for the Court to uphold the constitutionality of this bill. In that case the Board charged unfair labor practices by the defendant corporation in that the corporation was discriminating against members of a labor union in discharging certain employees. The corporation contended that the act in dispute was in reality a regulation of labor relations and not of interstate commerce; that it had no application to the corporation's relations with its production employees because they were not subject to regulation by the Federal Government; and, finally, that the provisions of the act violated section 2 of article III of the fifth and seventh amendments of the Constitution. The corporation was engaged in the manufacture of iron and steel. It had factories in various sections of the country. It manufactured its products in such localities as it had plants. The question involved was whether or not a particular product,

after being manufactured in a particular plant in a particular locality, could be prevented from being shipped through the channels of interstate commerce. The unfair labor practice complained of took place in a certain factory, while certain products were being manufactured, and the Court held in effect that as to those products that were manufactured under the alleged unfair labor practices, they could not be transported in interstate commerce.

In the pending bill there is no effort made to prevent the flow of wheat or corn in interstate commerce until after it is actually produced and after it is determined that the surpluses are such that they will affect interstate commerce; that they are detrimental to the general welfare of the Nation; that they destroy the income of farmers and their purchasing power for industrial products and the value of the agricultural assets supporting the national credit structure. There is no attempt to prevent production. Farmers may produce what they desire even after the national marketing quota is voted upon by themselves.

And I repeat that it is only excessive surpluses, determined to exist and to be on hand, that will be prevented from clogging interstate commerce. It is my belief that the Supreme Court will hold that agriculture is a national and not a local problem, and that the welfare of the Nation depends upon the welfare of the farmer.

In connection with my remarks, Mr. President, I ask unanimous consent to have printed an excerpt from the case just cited, National Labor Relations Board against Jones & Laughlin Steel Corporation.

There being no objection, the matter referred to was ordered to be printed in the Record, as follows:

In the case cited the Court, speaking through Chief Justice Hughes said:

"Giving full weight to respondent's contention with respect to a break in the complete continuity of the 'stream of commerce' by reason of respondent's manufacturing operations, the fact remains that the stoppage of those operations by industrial strife would have a most serious effect upon interstate commerce. In view of respondent's far-flung activities, it is idle to say that the effect would be indirect or remote. It is obvious that it would be immediate and might be catastrophic. We are asked to shut our eyes to the plainest facts of our national life and to deal with the question of direct and indirect effects in an intellectual vacuum. Because there may be but indirect and remote effects upon interstate commerce in connection with a host of local enterprises throughout the country, it does not follow that other industrial activities do not have such a close and intimate relation to interstate commerce as to make the presence of industrial strife a matter of the most urgent national concern. When industries organize themselves on a national scale, making their relation to interstate commerce the dominant factor in their activities, how can it be maintained that their industrial labor relations constitute a forbidden field into which Congress may not enter when it is necessary to protect interstate commerce from the paralyzing consequences of industrial war? We have often said that interstate commerce itself is a practical conception. It is equally true that interferences with that commerce must be appraised by a judgment that does not ignore actual experience.

"Experience has abundantly demonstrated that the recognition of the right of employees to self-organization and to have representatives of their own choosing for the purpose of collective bargaining is often an essential condition of industrial peace. Refusal to confer and negotiate has been one of the most prolific causes of strife. This is such an outstanding fact in the history of labor disturbances that it is a proper subject of judicial notice and requires no citation of instances. The opinion in the case of *Virginian Railway Co. v. System Federation No. 40*, supra, points out that, in the case of carriers, experience has shown that before the amendment of 1934 of the Railway Labor Act, 'when there was no dispute as to the organizations authorized to represent the employees, and when there was willingness of the employer to meet such representatives for a discussion of their grievances, amicable adjustment of differences had generally followed and strikes had been avoided.' That, on the other hand, 'a prolific source of dispute had been the maintenance by the railroads of company unions and the denial by railway management of the authority of representatives chosen by their employees.' The opinion in that case also points to the large measure of success of the labor policy embodied in the Railway Labor Act. But with respect to the appropriateness of the recognition of self-organization and representation in the promotion of peace, the question is not essentially different in the case of employees in industries of such a character that interstate commerce is put in jeopardy from the case of employees of transportation companies. And of what avail is it to protect the facility of transportation, if interstate commerce is throttled with respect to the commodities to be transported?

"These questions have frequently engaged the attention of Congress and have been the subject of many inquiries. The steel industry is one of the great basic industries of the United States, with ramifying activities affecting interstate commerce at every point. The Government aptly refers to the steel strike of 1919-20 with its far-reaching consequences. The fact that there appears to have been no major disturbance in that industry in the more recent period did not dispose of the possibilities of future and like dangers to interstate commerce, which Congress was entitled to foresee and to exercise its protective power to forestall. It is not necessary again to detail the facts as to respondent's enterprise. Instead of being beyond the pale, we think that it presents in a most striking way the close and intimate relation which a manufacturing industry may have to interstate commerce, and we have no doubt that Congress had constitutional authority to safeguard the right of respondent's employees to self-organization and freedom in the choice of representatives for collective bargaining."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 19, beginning at line 10.

The amendment was agreed to.

Mr. MCGILL. Mr. President, what was done with the committee amendment on page 8, beginning with line 14?

The PRESIDING OFFICER. The Chair is informed that that amendment was agreed to on yesterday.

Mr. MCGILL. I made that inquiry because the language just adopted is a transposition of that language. I thought the language on page 8, beginning on line 14, had gone over at the request of the Senator from Oregon [Mr. McNARY].

The PRESIDING OFFICER. That amendment was agreed to.

Mr. MCGILL. Very well.

The PRESIDING OFFICER. May the Chair have the attention of the Senator from Oregon [Mr. McNARY]? The parliamentary clerk has called the Chair's attention to the fact that there was an amendment on page 14 which the Senator yesterday asked to go over. Does the Senator desire to have that amendment considered now? The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 14, line 8, strike out—Cotton, 45,500,000 acres.

Mr. McNARY. Mr. President, I have disclosed my disapproval of this discrimination against wheat and corn on two occasions. I might repeat that when this bill was taken about the country the farmers were told that it would apply equally to these various commodities. We find that the bill before us is not the same proposition at all. I take a similar view to that taken by the Secretary of Agriculture. The Senator from Idaho just quoted him favorably. The Secretary agrees with me that there should be no difference in the matter of soil depletion base acreage for any commodity. I know that whatever motion I make would not prevail. I do not want to hinder the reasonable disposition of the bill. But I do think, along with the Secretary of Agriculture, and I think in common with every wheat grower and every corn grower in this country, that this is rank discrimination. Similar limitation on corn and rice and tobacco has been removed. Again I commend the perspicacity of the cotton members of the committee. Together with the Secretary of Agriculture, I should like to see all those commodities placed on the same footing. Let us either cut out the base acreage as to wheat and corn or apply it to tobacco, cotton, and rice. I have appealed to the authors of this bill on several occasions to attempt what I would call fair treatment to the producers of these great commodities and not unjustly discriminate against them.

With that statement, Mr. President, I want to vote against the proposition, and I shall have to content myself by casting a negative vote against it.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the amendments on page 14 from line 8 to line 18, inclusive, be voted on as a whole. They all involve the same proposition.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. POPE. Mr. President, I wish to say that the corn and wheat producers—the leaders who have been instrumental in the preparation of this bill—are the ones who desire the amendment in this form. They think it is to their best interests. They do not agree with the Senator from Oregon that the provision discriminates against the corn and wheat growers. I indicated yesterday and two or three times before that the result reached would be the same so far as allotted acres are concerned. The only thing that can be said is that there are two different methods of arriving at the same result. The representatives of the corn growers and wheat growers appear to desire this method of approach. The representatives of the cotton growers and the growers of rice and tobacco prefer the other method of approach. But the result is exactly the same, and no discrimination is being made against the growers of any of those commodities, because the result is the same.

Mr. McNARY. Mr. President, I take sharp issue with the able Senator from Idaho. I can quote from as many wheat growers and corn growers as he can. I have had numerous letters in opposition to this discrimination. I wonder how many farmers the Senator asked about this matter when his committee went to the country with this bill. The answer must be none of them, because the bill did not contain any difference in the manner of declaring seeding acreage. Therefore, it was not an issue at that time.

Mr. POPE. If the Senator will yield, I will say that in the discussions we had with reference to this matter there were not any complaints on the part of corn and wheat growers.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Under the order heretofore entered, how many speeches may a Senator make on the same amendment?

The PRESIDING OFFICER. The point of order which the Chair assumes the Senator makes is well taken.

Mr. McNARY. Mr. President, I am out of order; but, to show how different I am from some others, yesterday the Senator from Kentucky [Mr. BARKLEY] spoke five times against the rule, but I was too gentlemanly to invoke it. [Laughter.] I obey it, however, in view of his invocation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments on page 14, commencing on line 8 and going down to line 18.

The amendments were agreed to.

Mr. MCGILL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MCGILL. What was done with the amendment on page 18, beginning with the insertion in line 2?

The PRESIDING OFFICER. Those amendments were agreed to on yesterday.

May the Chair have the attention of the senior Senator from Idaho [Mr. BORAH]? The parliamentarian calls the Chair's attention to the fact that the Senator had an amendment to offer at this place in the bill. Does he care to proceed with it now?

Mr. BORAH. On page 7?

The PRESIDING OFFICER. On page 6, line 21, going over to page 7.

Mr. BORAH. Mr. President, in view of the adoption of the amendment offered by the Senator from Louisiana [Mr. OVERTON], I do not desire to hold that committee amendment open any longer. If there is any chance of changing the provision, it will have to be by an amendment to the original text; so I do not care to hold the committee amendment open longer.

The PRESIDING OFFICER. The question, then, is on agreeing to the amendment commencing on line 21, page 6, and going over to line 17 on page 7.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 21, beginning in line 1, to insert:

TITLE II—MARKETING QUOTAS FOR WHEAT AND CORN
LEGISLATIVE FINDING

SEC. 20. The Congress herewith finds as follows:

The production and marketing of wheat and corn constitutes one of the great basic industries of the United States with ramifying activities which directly affect interstate or foreign commerce at every point, and stable conditions therein are necessary to the general welfare.

Recurring surpluses and shortages of supplies of wheat and corn on the Nation-wide market are detrimental to the general welfare of the Nation. Surpluses of such supplies destroy the income of farmers, their purchasing power for industrial products, and the value of the agricultural assets supporting the national credit structure. Shortages of such supplies result in excessive prices to consumers and loss of markets by farmer.

In the absence of effective legislation, surpluses of wheat and corn will accumulate and shortages of supplies will occur.

The general welfare requires that such recurring surpluses and shortages be minimized, that supplies of wheat and corn adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty be maintained, and that the soil resources of the Nation be not wasted in the production of excessive supplies.

The conditions affecting the production and marketing of wheat and corn are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages, maintain their incomes in a fair balance with the incomes of individuals other than farmers, maintain normal supplies of wheat and corn, or provide for the orderly marketing thereof.

The marketing of abnormally excessive supplies of wheat or corn materially affects the volume of such commodities in interstate and foreign commerce, disrupts the orderly marketing of such commodities therein, reduces the prices for such commodities with consequent injury to and destruction of such commerce, causes disparity between prices of agricultural commodities and industrial products in interstate and foreign commerce with consequent diminution of the volume of such commerce in industrial products, and otherwise acutely and directly affects, burdens, and obstructs interstate and foreign commerce.

The provisions of this act relating to wheat and corn, other than the provisions of this title, are necessary in order to minimize recurring surpluses and shortages of the agricultural commodities to which such provisions are made applicable and of other agricultural commodities, the marketing of which is affected by surpluses and shortages of the commodities to which this act is expressly applicable; to provide for the maintenance of adequate reserve supplies and further the orderly marketing of such commodities; and to maintain a fair balance between the incomes of farmers and the incomes of individuals other than farmers. The provisions of this title are necessary in order to maintain an orderly flow of such commodities in interstate and foreign commerce under such conditions.

Mr. BORAH. Mr. President, I simply desire to say that this amendment is a very good legal argument for the bill. While I disagree with the views expressed, I pay tribute to the legal ability of those who may be the authors of this strange amendment.

Mr. McNARY. Mr. President, I differ with my colleague from Idaho. I do not think the amendment is a legal argument at all.

The theory has been advanced by some persons that we must make a stump speech in a bill in excuse for the provisions which follow thereafter. I do not think the language of this amendment has any relation whatever to the bill. It is wholly immaterial, irrelevant, and incompetent.

UNDERCONSUMPTION IS OUR PROBLEM

Mr. O'MAHONEY. Mr. President, let me take the opportunity to say briefly that I do not agree at all with the conclusion expressed in this amendment.

The theory of the amendment is to be read in the last sentence:

The provisions of this title are necessary in order to maintain an orderly flow of such commodities in interstate and foreign commerce under such conditions.

I am not going to make a speech upon the matter at this time; but, inasmuch as we are about to vote upon the amendment, I feel it incumbent upon me to say that in my judgment the fundamental necessity at this juncture is the stimulation of consumption, not the restriction of production.

I have not a doubt in my own mind that the Congress can pass legislation which will stimulate consumption. No one, I am sure, will disagree with the statement that the

problem which confronts the people of the United States is the problem of making it possible for all classes of the population to consume a larger proportion of our agricultural and industrial production than is now being consumed. This is a bill to expand the purchasing power of farmers. I am, of course, very anxious to cooperate in helping to expand the purchasing power of farmers; but whatever we do here will be only temporary in its character unless we find a way of expanding the purchasing power of the industrial population as well.

For my part, I am not ready to agree that it is necessary to begin by restricting production. We should take the first step of increasing the ability of all the people of America to consume the products of the farm.

Restriction of production on the farm necessarily involves a reduction of labor on the farm, and reduction of labor means a reduction of the purchasing power of those who are thrown out of employment.

Mr. MCGILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Kansas?

Mr. O'MAHONEY. I do.

Mr. MCGILL. The Senator speaks of increasing the purchasing power of the industrial population and thereby increasing consumption. I assume the Senator has reference to the portions of our industrial population who belong to what may be called an employed class, persons who work for industrial concerns. Does not the Senator recognize the fact that the pay roll and wage of those persons have at all times gone hand in hand with the purchasing power of the farmers of the country?

Mr. O'MAHONEY. I recognize the fact that the graphs run up and down together; but, as I see the situation, there has been a restriction upon both pay rolls and agricultural purchasing power. The farmer's best market is to be found in the industrial population of America, in the big cities; and likewise, of course, the best market for the products of the mine and the factory is the farming population of America; so that, in my opinion, the two are indissolubly linked together.

Mr. MCGILL. The manufacturers' wage pay roll, as a rule, has amounted each year to the same sum as the gross income the farmers have received for their products. The amounts have been almost the same year after year, so that the purchasing power of one has depended upon the purchasing power of the other; and we are endeavoring here, among other things, to increase and enhance the purchasing power of the farmer.

There is no disposition to produce less than the people will consume. There is no disposition on the part of anybody to do that. So far as I know, no one who is a supporter of this bill advocates a philosophy of scarcity.

Mr. O'MAHONEY. Oh, I quite agree with the Senator.

Mr. MCGILL. But we do want to enhance, among other things, the purchasing power of the farmer. Thereby we shall increase consumption; and I think this proposal has to do with that very matter.

Mr. O'MAHONEY. I merely wanted to express my opinion that the conclusion stated in this amendment does not correctly reflect the situation.

Mr. POPE. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. Certainly.

Mr. POPE. Does not the Senator think this is only one phase of the matter? Undoubtedly, as he suggests, other ways of increasing the purchasing power of the consumers are highly desirable—finding new uses for our commodities, and any other way of increasing the purchasing powers of the consumer.

Mr. O'MAHONEY. Of course; I agree to that.

Mr. POPE. I agree with the Senator from Wyoming that too much emphasis cannot be placed upon that; but does not the Senator also see the other side of the picture which is here represented? This bill does not attempt to solve all the difficulties of the farmer, but it is an approach to the matter of keeping up his purchasing power, by increasing

the price he shall get for his commodities. If the Senator agrees that surpluses are injurious to the purchasing power of the farmer through depressing the price he receives, I do not see how the Senator then can avoid conceding the necessity of legislation to deal with surpluses and thereby improve purchasing power, along with everything else we may do to increase the use and consumption of commodities the farmer produces.

Mr. O'MAHONEY. I think there is no great amount of harmony between what the Senator is now saying and the contents of this particular amendment.

In 1933 we passed the Agricultural Adjustment Act. When the processing tax under that act was declared invalid the Soil Conservation Act was passed. This Congress and the Congresses which have preceded it since 1933 have done everything in their power to increase the purchasing power of the farmer by legislation of this character and they succeeded—temporarily. The purchasing power of the farmer in 1935 was vastly greater than it was in 1932; but now we are told that that purchasing power is again falling off, in spite of the emergency legislation, in spite of the Soil Conservation Act. It is my contention that until we find a way of putting the industrial population of America to work at something better than security wages, we shall not begin to solve the farm problem.

Mr. POPE. Let me ask the Senator a question. Assuming that he is largely correct in that statement, would the Senator then leave the matter of surpluses unprovided for? Would he go along in his effort to increase the purchasing power of the consumer generally without dealing with the specific problem of the farmer which he has before him?

The farmer now has a surplus of over 200,000,000 bushels of wheat. If present conditions continue under the soil-conservation program, he may have next year an additional surplus of two hundred or three hundred million bushels. Then he will be facing an actual, concrete surplus of, say, four or five hundred million bushels of wheat. Would the Senator let that go without any legislation, and rest entirely upon the proposition that somehow we should stimulate purchasing power generally among the consumers? Would he let that matter go, and do nothing about it?

Mr. O'MAHONEY. Mr. President, I will say to the Senator from Idaho that I suspect I shall be found voting for this bill, with the Senator from Idaho.

Mr. POPE. I am glad to hear that.

Mr. O'MAHONEY. I am merely expressing my opinion that the conclusions stated in this amendment are not correct. I do not want it to be understood that I share the point of view set forth in this amendment; namely, that the provisions of this bill are necessary to maintain an orderly flow of certain agricultural commodities.

Mr. POPE. I think if we were preparing findings on the question of the effect of monopolistic prices upon the purchasing power of the consumer—in other words, if we were dealing with the consumer's problem exclusively—we could have some very significant legislative findings, and I expect they would appeal to the Senator more than these findings do; but we are dealing with one of the phases of the problem and making findings upon that phase of the problem, and not attempting to exclude all other considerations that may enter into this great problem.

Mr. O'MAHONEY. Another remark I might make is to the effect that the bill, as reported by the committee and being pressed by the distinguished Senator from Idaho, is based upon a different theory from that presented by the Secretary of Agriculture. I am inclined to agree with the Secretary of Agriculture that the restrictive features, the control features of farm legislation, should not come into play until there is a definite surplus.

Mr. MCGILL. Mr. President, does the Senator believe we have a surplus of wheat when we have 200,000,000 bushels of wheat more than the domestic and foreign markets will take?

Mr. O'MAHONEY. I would be willing to say "no" to that question for the reason that I believe that what is called a

surplus by the proponents of this bill could easily be consumed in the United States if we took the proper steps to stimulate consumption. Our trouble is that too many people are too poor to buy what they need.

Mr. MCGILL. Does the Senator take the view that there must be around 400,000,000 bushels of wheat more than we can sell before there is a surplus?

Mr. O'MAHONEY. The opportunity will be presented to me a little later, I believe, to go into a discussion of this matter in greater detail. We shall have no such surplus if the people are all employed. For the present, as I said, I am merely expressing my opinion that the conclusions in this amendment are not well founded.

Mr. MCGILL. We have always heretofore regarded about 150,000,000 bushels of wheat as a reasonable carry-over.

Mr. COPELAND. Mr. President, may I ask the Senator from Wyoming what he means by "proper steps to stimulate consumption"? How would he increase consumption?

Mr. O'MAHONEY. The first thing I would do would be to close the door to those monopolistic practices followed by what I believe to be a very small proportion of the industrial leaders of the country, but a sufficiently large proportion to make it impossible for the country to develop as it should develop and to make competition impossible. Too much concentration of economic wealth and power is the greatest impediment to the expansion of private enterprise.

Mr. COPELAND. I thought possibly the Senator meant we might change the practice of our women and have them eat more bread and not slenderize so much.

Mr. O'MAHONEY. I would have them eat more meat, which would be very slenderizing.

Mr. BORAH. Mr. President, we do not have to change the waist lines of the women to have the bread of the country consumed. If all women are permitted to eat, they will all still have slim figures when we get through on the basis of the present production of the United States.

This discussion of a surplus is based upon the fact that the people of the United States are not eating what they ought to have. There is no surplus in the United States except you propose to reduce the population by some 40,000,000 needy people. It is true, by reason of the fact that millions are not getting enough to eat, and necessarily they do not have an ordinary decent standard of living, that there is a surplus, but there is no surplus in the United States except upon that theory. When we talk about 200,000,000 bushels of wheat as a surplus, what is meant is that there are millions of people who cannot get the 200,000,000 bushels of wheat to eat; and we are legislating upon the theory that they are not to have any part or partake of this 200,000,000 bushels of wheat. We are simply closing our eyes and ears and forgetting them.

Mr. MCGILL. Is the farmer to be held responsible for the fact that the goods he produces are not properly distributed?

Mr. BORAH. I am not in favor of the farmer being held responsible for it, but I am in favor of holding responsible those who have charge of the legislation of the country which deals with the subject of distribution. Any scheme which seeks to raise farm prices without at the same time dealing with distribution is doomed to speedy failure, and no one knows this better than the farmer. It is amazing to me how people can talk about surpluses when uncounted thousands are praying for that which is called a surplus.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 21, commencing in line 4, and extending to the bottom of page 23.

The amendment was agreed to.

The PRESIDING OFFICER. Certain amendments offered by the Senator from New York [Mr. COPELAND] yesterday went over. Does he care to have them taken up at this time?

Mr. COPELAND. Mr. President, the Senator from Idaho [Mr. POPE] is preparing a further amendment, which I think will be very helpful. Yesterday it was agreed, I understood, that two amendments which I offered, one on page 14, line 2, and the other on page 30, line 10, to insert after "corn" the words "for market" should be considered today.

The PRESIDING OFFICER. Does the Senator ask that those amendments be considered now?

Mr. COPELAND. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 14, line 2, in the committee amendment, after the word "corn", it is proposed to insert "for market", so the paragraph would read:

(a) There shall be established for each farm of any farmer (whether or not a cooperator), producing wheat or corn for market, a soil-depleting base acreage and a normal yield per acre for each such commodity.

The PRESIDING OFFICER. The other amendment of the Senator from New York will be stated so they may be considered together.

The CHIEF CLERK. On page 30, in line 10, in the committee amendment, after the word "corn", it is proposed to insert "for market", so the sentence would read:

Farmers engaged in the production of wheat or corn for market shall furnish such proof of their acreage, yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise as may be necessary for the administration of this section and prescribed by regulations of the Secretary.

Mr. GEORGE. Mr. President, I inquire the purpose of the amendments?

Mr. COPELAND. Mr. President, it is to make certain that the language in those two places coincides with the definition of market corn at a later place in the bill. At the bottom of page 71 there will be found this definition:

The term "for market" in the case of wheat and corn means for disposition by sale, barter, exchange, or gift, or by feeding (in any form) to poultry or livestock which, or the products of which, are to be sold, bartered, exchanged, or given away.

It is to make the use of the language in those places conform to that definition. What we are seeking to do by the two amendments is a part of a general plan to relieve the dairy farmer, who is producing milk for market, from certain restrictions which would otherwise apply. The Senator from Idaho [Mr. POPE] will offer a larger amendment, and I am going to suggest, at the end of line 11, page 72, there shall be inserted the following:

Corn shall also be deemed consumed on the farm if used for silage.

The point is that the restrictions shall apply to hard corn and not to fodder corn.

Mr. McNARY. Mr. President, will the Senator state that again?

Mr. COPELAND. On page 72, at the end of line 11, I propose to have inserted the following new sentence:

Corn shall also be deemed consumed on the farm if used for silage.

I think such an amendment would be in line with the plan to relieve the dairy farmer from restrictions which would be most embarrassing to those of us who live in consuming areas where the question of the price of milk is so important.

Mr. POPE. Mr. President, will the Senator from New York yield?

Mr. COPELAND. Certainly.

Mr. POPE. I inquire of the Senator from Georgia [Mr. GEORGE] if he is clear as to the reason for the amendment on page 14, line 2, following the word "corn", by adding the words "for market"? If he is not, I should like to say to him that the establishment of these base acreages have to do with products grown for market and not consumed at home. In other words, there is no necessity for having base acreage where a man produces for consumption at home. Therefore, the Senator from New York asks that the words "for market" be inserted following the words "wheat and corn" in line 2, page 14, in order to make it clear that those acreages relate to farms which produce for market. Following the word "corn", in line 2 at the top of page 14, it is proposed to insert the words "for market." I think that is a desirable amendment because it is in line with the intention of the authors of the bill and is actually provided at

the bottom of page 15 and the top of page 16 where the provision relates to production for market.

Mr. MCGILL and Mr. ELLENDER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so to whom?

Mr. COPELAND. I yield first to the Senator from Kansas.

Mr. MCGILL. The base acreage is established by this bill, but so far as the provisions of the bill are concerned no one, except those who are producing for market, is governed by them or in any way bound by them. I cannot see where these amendments in any way alter the situation at all. I have no objection to them, but those persons who produce wheat and corn and do not produce them for market are not in any way controlled by the base acreage established under the bill.

Mr. ELLENDER. Mr. President, will the Senator from New York permit me to ask the Senator from Idaho a question?

Mr. COPELAND. I yield for that purpose.

Mr. ELLENDER. With reference to the amendment on page 14, line 2, adding the words "for market", how would that affect the language "soil-depleting base acreage" referred to on page 6, lines 4 and 7, where exemptions are provided for corn and wheat under certain conditions?

Mr. POPE. As I understand, the two are consistent. At the top of page 6 it is provided:

Whenever in the case of corn the aggregate normal yield of a soil-depleting base acreage for such commodity is less than 300 bushels—

And so forth. That is exempt. I do not see that they are inconsistent.

Mr. ELLENDER. Does not the Senator think the language "soil-depleting base acreage", on page 6, should be stricken from the bill? Why is it necessary to have the Secretary of Agriculture fix a base acreage for corn or wheat on every farm in the United States, the production of which is exempt from the marketing provisions of the act?

Mr. POPE. I shall give consideration to the question asked by the Senator from Louisiana and see if there is any inconsistency, and confer with him later.

Mr. COPELAND. Mr. President, have we taken action on my two amendments?

The PRESIDING OFFICER. Without objection the amendment of the Senator from New York to the amendment of the committee on page 14, line 2, inserting the words "for market" after the words "wheat or corn" is agreed to; and without objection the committee amendment, as amended, is agreed to.

The amendment of the Senator from New York, on page 30, will be stated.

The CHIEF CLERK. On page 30, line 10, after the words "wheat or corn", it is proposed to insert "for market", so as to make the paragraph read:

(e) Farmers engaged in the production of wheat or corn for market shall furnish such proof of their acreage, yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise as may be necessary for the administration of this section and prescribed by regulations of the Secretary.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COPELAND. Mr. President, on page 72, line 11, after the word "household" I offer the following amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 72, after line 11, it is proposed to insert:

Corn shall also be deemed consumed on the farm if used for silage.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. COPELAND. I have always said "ensilage," but I have found that the experts around here have used the other word.

Mr. POPE. Mr. President, I may say to the Senator from Wyoming that under the amendment which I propose to offer a little later, all the feed the farmer may need for use

on his farm will be exempted from any storage requirement; furthermore, that ensilage put up by the farmer for his own use will not be counted in connection with producing for market, in connection with the marketing quota. In the first place, it would be very difficult to determine the matter, and it seems to us only fair that where corn is put up in the form of ensilage, and for use on the farm, the farmer might well be exempted from the provisions of the proposed act.

Mr. GILLETTE. Mr. President, will the Senator from Idaho yield?

Mr. POPE. I yield.

Mr. GILLETTE. With the amendment to which the Senator has just referred in mind, is it the Senator's thought to exempt from the provisions of the act ensilage which is fed to meat-producing animals for market, or the products of which are going to market?

Mr. POPE. Yes; that would be true.

Mr. GILLETTE. I will ask the Senator if that is not going to defeat the purpose of the bill, in determining production of corn for market? If the Senator will permit me, the thought was to hold the farmer to an adjustment contract if he is producing corn for market, or if he is feeding to animals the meat products of which go to market. The only exemption we have provided is as to corn for home consumption, for the use of the family, the work animals, or animals the products of which do not go into the market. Is it the Senator's thought, in offering this amendment, that we are to open the field again, and if ensilage is put in the silo and fed to cattle, and the corn products used in that method, instead of husking it and putting it in the crib, the farmer is to be exempted from the adjustment contract?

Mr. POPE. That is the effect of the amendment. I think it is a question of debate as to what extent ensilage is fed to hogs and other livestock. My information is that it is not fed to any great extent, and that this exemption would not have any serious effect upon the purpose and effect of the act. It would be very difficult to administer, as the Senator can see. Since the Senator comes from a great corn-producing State, I should be glad to have his opinion as to whether ensilage is used, to any considerable extent in the feeding of livestock, or to such an extent as would impair the effectiveness of the proposed law.

Mr. O'MAHONEY. Mr. President, will the Senator from Idaho yield?

Mr. POPE. I yield.

Mr. O'MAHONEY. If the Senator from Iowa will pardon me—

Mr. GILLETTE. Certainly—

Mr. O'MAHONEY. I was going to say that I think it would be well not to consider this amendment at this time. The Senator from Idaho yesterday read an amendment which has had the consideration of the Department of Agriculture, with respect to the effect on the incomes of producers of livestock, and it seems to me that the amendment now proposed by the Senator from New York is of so much importance in connection with the same problem that the two amendments ought to be considered together. Of course it is a departure from the regular order for an amendment of this kind to be considered until after the committee amendments are disposed of. I feel that the Senator from New York should not insist upon his request for consideration of his amendment at this time.

Mr. POPE. It is entirely agreeable to me that it be considered later, when the amendment which I offered in connection with dairying is presented.

Mr. COPELAND. So far as I am concerned, Mr. President, I have no objection, except that I thought we had an understanding yesterday that all the matters which had to do with the feeding of dairy cattle should be considered together at this time.

Mr. McNARY. Mr. President, I do not find myself in accord with any of the statements made. The purpose of the Senator from New York is to take dairying out of the operation of all the provisions of the bill. The purpose of

the amendment I introduced on behalf of the milk cooperators, as well as the amendment proposed by the Senator from Idaho, is to deal with the acreage diverted for soil-conserving and soil-building purposes so as not to expand the dairy industry. That is the distinction between the two theories.

The Senator from New York is discussing a wholly different problem, raised yesterday by the Senator from Idaho or the Senator from Oregon. They are dealing with diverted acres. The Senator from New York is attempting to take out of the bill any matters appertaining to its application to the dairy industry. I can see no reason why we cannot deal with the Senator's problem quite apart from the dairy or livestock problem, which I wish to present in my own time, when we reach the stage of individual amendments.

Mr. GILLETTE. Mr. President, the Senator from Idaho honored me with an inquiry, and I shall answer it as best I can. It is a well-known fact that in the corn areas 85 percent of the corn is marketed on the hoof, as we call it, or in meat-producing animals. Any corn quota such as we have devised here must of necessity take into consideration the 85 percent, rather than the 15 percent. It is also common practice in feeding stock to feed ensilage. A large portion of the corn crop is put into silos and fed to the cattle for fattening, as well as to hogs; and if we are exempting from the provisions of the bill the presentation of an adjustment contract and the necessity for conforming with it corn that goes into animals in the form of ensilage or in the form of ear corn, in my opinion, it will be destructive of the purpose of the bill.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. GILLETTE. Gladly.

Mr. COPELAND. Would the Senator object to this amendment if it were modified to read "Corn shall also be deemed consumed on the farm if used for ensilage to feed dairy cattle"? That would be a relatively small amount.

Mr. GILLETTE. Mr. President, I realize fully what the Senator from New York has in mind and I sympathize with it; but may I suggest to him that if that were done it would stimulate more than any one thing he could imagine the competition in building up the dairy industry in competition with the industry in his own State, because if the farmers in the State of Iowa and in other States could use corn for the purpose of feeding it to dairy cattle and marketing the milk and butter and cheese they would have every incentive to do it and would not be bound by the provisions of the law.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. GILLETTE. Certainly.

Mr. COPELAND. If I and the rest of us who are interested in the dairy farmers sit silent when this bill is passed, I suppose the dairy farmer then will thrive as he never has before. Is that the view of the Senator?

Mr. GILLETTE. Mr. President, I may state as a preliminary to my answer that I am a dairy farmer. Before I came to Congress I milked cows and sold the products, and I have every sympathy with the dairy farmers. I am interested, as the Senator is interested, in dairymen in connection with the pending bill and its administration. However, I greatly fear that what the Senator is trying to do would destroy the very thing he has in mind by way of protecting them from the administrative features of the bill.

Mr. ELLENDER. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. I yield.

Mr. ELLENDER. Is it not a fact that under the bill the dairy farmer can become a cooperator if he desires, and produce all the corn he wants to produce?

Mr. GILLETTE. He must become a cooperator in order to receive the benefits if he is feeding his corn to dairy cattle.

Mr. POPE. Mr. President, will the Senator yield to me?

Mr. GILLETTE. I yield.

Mr. POPE. Is the Senator familiar with the amendment which I read yesterday in the course of the discussion of

this matter, and which is this morning printed, in connection with the dairying features of the bill? Has the Senator read that? I propose to call it section 66, and it will appear at the end of the bill.

Mr. GILLETTE. Mr. President, I am not at all familiar with it. The first time I had it called to my attention was when the Senator rose a while ago and I propounded an inquiry to him with reference to it.

Mr. POPE. This is the amendment to which the Senator from Wyoming referred a few minutes ago as having been prepared by the Department rather carefully to deal with the whole dairying problem. I should be interested in the Senator's judgment on the effect of it in accomplishing generally the purposes which the Senator has in mind.

Mr. DUFFY. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. I yield.

Mr. DUFFY. In my State, one of the leading dairy States, perhaps, the farmers for years and years have been carefully building up their dairy herds and have produced just enough corn to fill their silos. They have not sold any; it has not gone out into the market at all. As I understand the way the bill would operate, if there were some sort of a national quota, the farmer would either have to cut down or sell off his herd, or he would have to go out where he could, somewhere, in the market, and buy green corn, in the stalks, in order to fill his silo, or else remain with his silo, say, two-thirds or three-quarters full.

Mr. GILLETTE. He could become a cooperator, and he would have to become a cooperator, under the bill. He would be tendered an adjustment contract if he was feeding in that way and could comply with the provisions of the bill.

Mr. DUFFY. As I understand, the bill differs from the House bill. There are no areas provided; it would apply all over the country. There would be no particular corn areas provided.

Mr. GILLETTE. I am not familiar with that.

Mr. DUFFY. In the bill in the House there are certain areas provided where the law can apply as to corn.

My point is that the dairy farmer in my State thinks it is eminently unfair to him, who has never helped to create a surplus in the corn market, who has never sold any corn, who has only produced enough corn to fill his silos in order to get his herd through the winter. Now he is faced with the situation where he has the acreage available, he has been cultivating his soil in accordance with the soil-conserving practices during the year, and suddenly he will find himself up against the proposition that he will not even be allowed to raise enough corn on his farm to fill his silo in order to take his herd through the winter.

It is said he can cooperate and get some benefit payments, but he has his herd, developed over a long course of years, and he will have to sell it or dispose of it in some other way. I do not think the dairy farmers of my State would feel that I was properly representing them if I supported the bill with that kind of a provision in it.

Mr. HATCH. Mr. President, will the Senator from Iowa yield?

Mr. GILLETTE. I yield.

Mr. HATCH. During the discussion which has proceeded I think perhaps there may have been some misunderstanding as to the effect of the amendment. I was about to ask whether the Senator from New York would not have his amendment printed and let it go over for the day, so that we could study it and see just what its effect would be. Would the Senator from New York be willing to do that?

Mr. COPELAND. I am perfectly agreeable to that. If that is to be done, I suggest that the other amendment, which the Senator from Idaho [Mr. POPE] will present, be printed also, so that we may have that, too.

Mr. POPE. Mr. President, will the Senator from Iowa yield?

Mr. GILLETTE. I yield.

Mr. POPE. May I inquire what point we have reached in the bill?

The PRESIDING OFFICER. The parliamentary situation is that unanimous consent was given for the consideration of the amendment offered by the Senator from New York to the text on page 72.

Mr. O'MAHONEY. Mr. President, I thought that before consent was granted there was an interposition. I took the floor, and, while not making a formal objection, I did ask the Senator from New York to let the amendment go over, and he has now granted that request.

The PRESIDING OFFICER. The question is on passing over until tomorrow the amendment of the Senator from New York.

Mr. McNARY. Mr. President, I think it is proper, but I do not want any limitation as to tomorrow, because we might not reach it until several days after tomorrow. May we have an understanding that it merely goes over without prejudice?

Mr. GILLETTE. Mr. President, before that is done I should like to say a word. I have every appreciation of the difficulty which has been referred to by the Senator from Wisconsin. This is so important to the dairy farmers, it is so important that an amendment be not adopted that would destroy the bill, I think it should be approached with a great deal of care. So far as I am concerned, I should be glad to have it go over and to see if something could be worked out. I doubt very much whether anything can be worked out, but I hope something can be.

The PRESIDING OFFICER. The Chair has been informed by the parliamentary clerk that the use of the word "tomorrow" in a request of this kind means when the Senate is ready to take the matter up, and does not necessarily mean the next day.

Is there objection to the request? The Chair hears none, and the amendment of the Senator from New York [Mr. COPELAND] will be passed over.

The clerk will state the next committee amendment.

The next committee amendment was, on page 24, line 1, to strike out the heading—

Marketing quotas.

The amendment was agreed to.

The next committee amendment was, on the same page, in line 2, to insert:

Establishment of quota.

The amendment was agreed to.

The next committee amendment was, on page 24, in line 4, after the word "for", to strike out "any major agricultural commodity" and insert "wheat or corn", so as to read:

Whenever on the thirtieth day prior to the beginning of the marketing year for wheat or corn.

Mr. McNARY. Mr. President, when this bill was taken out into the country and read to the country folks the marketing quota applied to all of the commodities mentioned in the bill. As I recall, now the marketing quota, particularly in this fashion, does not apply to cotton, tobacco, and rice.

Mr. POPE. Mr. President, will the Senator yield at that point?

Mr. McNARY. I yield.

Mr. POPE. I call the attention of the Senator to the fact that the marketing quota does apply to those commodities, but not at this point in the bill. The cotton quotas are to be found, for instance, on page 31, and the tobacco and rice quotas are found later in the bill.

Mr. McNARY. Oh, yes; they apply, but not in the manner that wheat and corn are dealt with.

Mr. POPE. Substantially so.

Mr. McNARY. Oh, no. I will demonstrate that to the Senator before I get through. It is just another discrimination against the producers of wheat and corn.

Mr. President, in presenting this matter it is necessary to look at lines 8, 9, and 10 on page 24. There the percentages are given which appertain to the establishment of quotas. The language is stricken out. I should like to ask the Senator from Idaho [Mr. POPE] or the Senator from Kansas

[Mr. McGILL] why they have stricken out the percentages found in lines 8, 9, and 10 on page 24 of the bill?

Mr. POPE. Mr. President, the figures have been transferred to another portion of the bill, and were necessarily stricken out at this point.

Mr. McNARY. Is there a provision in another portion of the bill dealing with the matter of cotton exceeding 15 percent of the normal supply? If so, I should like to have the Senator point it out.

Mr. POPE. I understand that the percentages with reference to different commodities vary. The provision with respect to cotton will be found in the cotton section of the bill. The provision of 20 percent for wheat is stricken out on page 24 of the bill; likewise the provision of 10 percent with reference to tobacco and other commodities. They are dealt with in other portions of the bill.

Mr. McNARY. But as the bill was taken around the country the Senator must have told the farmers that prior to the beginning of the marketing year cotton, wheat, corn, tobacco, and rice were going to be dealt with, and when the Secretary of Agriculture had reason to believe that the total supply would exceed the normal supply thereof by the following percentages, cotton, 15 percent; wheat, 20 percent; field corn, 10 percent; tobacco, 10 percent; and rice, 10 percent; the Secretary then should hold hearings at some principal place in the area or areas.

I am now asking the Senators why they struck out the reference to wheat, cotton, and rice; also the percentages; and if they inserted those percentages at some other point, where they inserted them?

Mr. POPE. Mr. President, if the Senator will read on beyond the portion stricken he will find that the provision with respect to wheat is 10 percent, instead of 20 percent, and corn 10 percent. As I said a few moments ago, the provisions relating to rice, cotton, and tobacco are in other portions of the bill which deal with those commodities.

Mr. McNARY. I ask the Senator, in what other portions of the bill is to be found this language which is stricken from the bill at the place that I am referring to—the bill which the Senators took out to the country folks?

Mr. POPE. I will leave those matters to Senators who are familiar with them. The Senator from Alabama [Mr. BANKHEAD] is familiar with the cotton provision.

Mr. McNARY. I am willing to yield to any Senator. I simply asked the question.

Mr. BANKHEAD. Mr. President, if the Senator will examine page 33 of the bill he will find that 35 percent is declared to be a reasonable carry-over at the end of each marketing year.

Mr. McNARY. Oh, yes. We discussed that matter the other day. I said to the Senator that I thought 35 percent was a reasonable carry-over. That does not have anything to do whatsoever with what I am discussing. I have appealed to someone to explain to me about the marketing quota. When this bill was taken out and read and explained to the country people it provided the marketing year for all these commodities; and when the Secretary believes that the total supply exceeds a certain amount—that is, the carry-over, plus the estimate of the current year's production—then what does he do with all these commodities? He holds hearings when he believes that the total supply at the beginning of the current year, which is June 1 for wheat and August 1 for cotton, will exceed the normal supply therefor, that is the average over a period of 10 years, by the following percentages: Corn 15 percent, wheat 20 percent, and other percentages for other commodities. That is the bill the boys down on the farm were discussing.

Mr. BANKHEAD. Not in the cotton section.

Mr. McNARY. Did Senators have a different bill which they took down to the cotton section of the country?

Mr. BANKHEAD. We did not take any down.

Mr. McNARY. Oh, Senators did not take any bill down?

Mr. BANKHEAD. No; we did not. We went through the country searching for the views of the farmers.

Mr. McNARY. That is a revelation. I thought Senators were down there studying.

Mr. BANKHEAD. I hope that will satisfy the Senator on the cotton question.

Mr. McNARY. It explains many things.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. ELLENDER. I desire to state to the Senator from Oregon that it was my privilege to attend all of the meetings, and the only place where the bill was mentioned to any extent was in the Northwest. In the South it was seldom referred to.

Mr. McNARY. Senators were ashamed of it in the South?

Mr. ELLENDER. No; that is not the reason. The commodity under discussion was different from the one produced in the South. The farmers of the Northwest desired voluntary control and those from the South favored control with teeth in it if we could give it to them.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. McNARY. Mr. President, I like to be accommodating to Senators, but my 15 minutes are rapidly being used up. I will yield, however, to the Senator from Kansas.

Mr. McGILL. I have several times stated on the floor of the Senate, and I do not think I should take time to reiterate it, that at each and every meeting of the subcommittee, of which I happened to be chairman, it was announced to those who assembled that the scope of the hearing was not limited to the terms of any bill pending in Congress, and that all farmers were entitled fully to express their views. My judgment is that some farmers had read and discussed this bill, and that the committee amendments have been adopted because they are in line with the expressed views of the farmers who came before the subcommittee.

Mr. McNARY. Mr. President, there is no imputation upon my part that the eminent Senator from Kansas is unfair at all. I have never intended to convey that impression to him. I think it is just unfortunate that he had to take this sort of a bill around and talk to the boys about it.

Mr. McGILL. The Senator is in error in saying that I took the bill around and talked about it. We discussed all bills pending in the Congress and called attention to them. So this bill was not particularly brought to the attention of those who assembled.

Mr. McNARY. I do not blame the Senator for not particularly bringing it to the attention of the farmers.

Mr. President, I have only a minute or so left. I have not heard an explanation by anyone as to why wheat and corn have again been placed on a basis wholly different from that told to the boys down on the farm, and without any cotton limitation whatsoever, excepting on a quite immaterial matter, quite an unrelated matter referred to by the Senator from Alabama [Mr. BANKHEAD], which refers to a normal year of domestic consumption and the carry-over therefor. I suppose my inquiry will simply result in my taking my seat and not having an answer, but I think it is another example of unfair advantage and discrimination against the corn and wheat producers.

Mr. O'MAHONEY. Mr. President—

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Oregon yield to the Senator from Wyoming?

Mr. McNARY. I yield.

Mr. O'MAHONEY. What is the Senator's understanding of the requirement which brings the marketing quotas into effect with respect to cotton and tobacco?

Mr. McNARY. That is found in section 21. There are three levels of production. The total supply must be ascertained by the Secretary of Agriculture. When he ascertains the normal supply, and if he finds that the total supply is greater than these percentages, then he calls a meeting in the area.

Mr. O'MAHONEY. Will the Senator for the benefit of the Record state precisely and briefly the difference, in his opinion, in the operation of this bill as now presented to us with respect to wheat and corn, and its operation with respect to cotton and tobacco?

Mr. McNARY. There is no operation regarding cotton, tobacco, and rice in this respect. This provision deals with

corn and wheat, and it is the preliminary step which must be taken before a quota is to be placed. If the Secretary's findings conform to the language of the bill, then the Secretary calls a public meeting at which time he tries to ascertain the facts. He does not need to do that, because the Bureau of Agricultural Economics would have all this data in its possession long before, and in better shape than the farmers could give it. But it is an attempt to show that they are very fair to the farmer in calling a meeting and in getting the facts and statistics. As to cotton, as to tobacco, and as to rice, no meetings of this kind are called whatsoever.

Mr. O'MAHONEY. In other words, the wheat and corn farmers are the only farmers to be called in under this section?

Mr. McNARY. Exactly, and for a useless purpose, because, I repeat, the Bureau of Agricultural Statistics, the Bureau of Agricultural Economics, would have all this data in their possession long before and in better shape than the farmers could give it.

Mr. POPE. Mr. President, may I ask the Senator from Oregon one question?

Mr. McNARY. Yes.

Mr. POPE. Whenever the Senator finds different treatment of different commodities in connection with this bill, he immediately asserts that the corn and wheat farmers are discriminated against; and he makes that assertion in connection with this particular amendment. Will the Senator state clearly, and as simply as he can, in what way the corn and wheat farmers are discriminated against in connection with marketing quotas?

Mr. McNARY. I have stated in this instance, as I have done probably seven or eight times before, that the discrimination has been against the wheat and corn farmers in favor of the producers of rice, tobacco, and cotton, because in the case of those commodities, whenever there is a requirement of any kind, whenever the Secretary is given any power whatever, whenever a rule or regulation is promulgated, those commodities are taken out of the bill, and again adjustment contracts are required of wheat and corn growers, and various benefits are withheld and penalties imposed. When you went out to the folks at home, you told them that they would be called into a meeting, and that if certain crops were found to be in excess of certain percentages the movement for a quota would be started. This is preliminary to the establishment of a quota. It is the first step. When you came in here with the bill, you required the wheat and corn producers to come to these meetings; you reduced the percentage; you cut out entirely the requirements as to the cotton and tobacco and rice producers. They are all the first movements, the initiatory proceedings, to bringing about that which I think is the cruel thing in this whole matter—the imposition of a quota upon all these commodities.

Mr. POPE. Mr. President, does the Senator regard it as a cruel thing to the wheat and corn farmers to advise with them before such a quota is put into effect? I do not know whether that is wise or not; but does the Senator regard it as a cruel and discriminatory thing to call them in, advise with them, and ask them whether they want it or not?

Mr. McNARY. Oh, no; the Senator from Idaho did not get the application of the word I used. Bringing the farmers together in a meeting is a useless thing. It is a foolish thing. It is an unnecessary inconvenience. The cruelty, as I have stated and as I think we shall be able to demonstrate, comes in the quota, and the punishment which follows for disobeying the quota. That is the cruelty; but this is the preliminary step which you take after you get the farmer to the meeting, before you place him on a quota and provide a punishment for his noncompliance with it.

The PRESIDING OFFICER. The time of the Senator from Oregon on the amendment has expired. The question is on agreeing to the amendment reported by the committee. Without objection, the amendment is agreed to.

Mr. McNARY. Mr. President, I cannot permit it to be said that the amendment is agreed to without objection. If that were done, the Record would carry the impression

that the Senate was unanimously in favor of the amendment. I certainly wish to urge my most hearty and stout opposition to the amendment.

The PRESIDING OFFICER. The Chair will again put the question after the amendment is stated by the clerk.

The CHIEF CLERK. On page 24, line 4, it is proposed to strike out "any major agricultural commodity" and insert "wheat or corn."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 24, line 8, after the word "percentage" and the colon, to strike out "Cotton, 15 percent; wheat, 20 percent; field corn, 10 percent; tobacco, 10 percent; or rice, 10 percent" and insert "Wheat, 10 percent; corn, 10 percent."

Mr. O'MAHONEY. Mr. President, I desire to call up the amendment, printed several days ago, and offered on behalf of my colleague [Mr. SCHWARTZ] and the two Senators from Colorado [Mr. ADAMS and Mr. JOHNSON], perfecting the committee amendment by striking out "10 percent" with respect to corn and inserting "15 percent."

I trust that the managers on behalf of the committee will accept the amendment.

The PRESIDING OFFICER. The Senator from Wyoming offers an amendment to the amendment reported by the committee, which will be stated.

The CHIEF CLERK. On page 24, line 11, in the committee amendment, after the word "corn," it is proposed to strike out "10 percent" and in lieu thereof to insert "15 percent."

Mr. BORAH. Mr. President, what is it that is changed to 15 percent?

Mr. O'MAHONEY. Mr. President, the provisions of the bill as reported by the committee are to the effect that whenever the Secretary finds, at the beginning of the marketing year, that the supply of wheat or corn will exceed the normal supply by more than a certain percentage, the Secretary shall call the meetings of which the Senator from Oregon [Mr. McNARY] was speaking a short while ago. The Department of Agriculture has been of opinion that these meetings should not be held until, with respect to corn, the normal supply was exceeded by 20 percent. The House bill provides 15 percent and the Senate committee is advocating 10 percent. The change from 10 to 15 percent makes this provision of the bill agree with the House provision, and, in the opinion of those of us who offer the amendment, is an improvement from the point of view of the livestock interests.

Mr. MCGILL. Mr. President, the original bill provided for 10 percent in the case of corn.

Mr. O'MAHONEY. That is correct.

Mr. MCGILL. I should like to know the attitude of the Senator from Iowa [Mr. GILLETTE] with reference to the proposal of the Senator from Wyoming, inasmuch as it affects the corn farmers more than any others.

Mr. GILLETTE. Mr. President, in response to the inquiry directed to me, expressing my personal views, I am in accord with the Senator's proposal; and I understand, further, that it has the approval and is in accordance with the desire of the Department of Agriculture. Am I correct in that statement?

Mr. O'MAHONEY. That is my understanding.

Mr. GILLETTE. Personally, I have no objection to the Senator's amendment.

Mr. POPE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Idaho.

Mr. POPE. I think there is a mistake in the last statement made by the Senator from Iowa, and that at this point the amendment is not in accordance with the desire of the Secretary.

In the letter, the Secretary said that he desired the original provisions of this bill, called the Pope-McGill bill, to remain. It is very easy to confuse two things here. With reference to the normal supply, in the original bill there was

provision for a 5-percent carry-over. In other words, the domestic consumption, the exports, and 5-percent carry-over were to constitute the normal supply. Then there was this provision above normal supply, which represents the point when marketing quotas may go into effect, depending upon the vote of the farmers. So, as I understood the matter, the Secretary referred to the cushion, or the percentage of carry-over in the normal supply, in his letter.

Mr. O'MAHONEY. I am not referring to the Secretary's letter, and I may say that I have not talked over this particular amendment with him personally; but I have talked it over with certain experts in the Department, and it is my understanding that this amendment is in general agreement with the point of view of the Department.

Mr. McGILL. Mr. President, if the Senator will yield, in the bill as it was originally introduced the term "normal supply" as applied to corn meant a normal year's domestic consumption and exports, plus 5 percent. I have not had the matter called to my attention in just the manner proposed by the Senator's amendment.

Mr. O'MAHONEY. I have offered an amendment to that provision also.

Mr. McGILL. If the Senator has an amendment to that provision, does he intend to restore the 5 percent to normal?

Mr. O'MAHONEY. Yes; I am going to ask that that be restored. As a matter of fact, our amendment provides for 7 percent.

Mr. McGILL. Then that would increase the amount of corn on hand 10 percent more than the bill now provides for before a marketing quota could go into effect?

Mr. O'MAHONEY. No; the provision which is being amended here deals only with calling these meetings; and, as I think has already been very well pointed out, the meetings are more or less pro forma. As the bill provides, the Secretary shall within 15 days call a meeting to obtain the facts; and, of course, the facts will already be very well known. The truth of the matter is, the farmers will be appealing to Washington for the facts.

Mr. McGILL. If the Senator from Iowa [Mr. GILLETTE] has no objection to the amendment, I do not know that I should raise any; but I feel that the two provisions should be considered together.

Mr. POPE. Mr. President, if the Senator from Wyoming will yield, I desire to say that those who prepared the bill, including very able representatives of the corn growers of Illinois, and I think in Iowa and some from Kansas, were very positive in their opinion that the bill should remain as it is with reference to 10 percent in connection with the corn quota.

So far as my State is concerned, I have no particular concern about this amendment. We do not raise corn for market to any practical extent; but those who prepared the bill, and those who have been presenting the bill to farmers all over the country, and particularly corn farmers, are insistent that they be given an opportunity to put into effect these marketing quotas without accumulating such a surplus of corn as would be represented here—15 percent, according to the Senator's amendment, and another 5 percent, which would be 20 percent, before a marketing quota could go into effect.

Mr. O'MAHONEY. This matter, of course, goes to the very heart of the problem. No one can have followed this discussion from the day the bill was brought before the Senate to this minute without realizing that, dealing as we are with a limited number of agricultural commodities, we are setting in motion a chain of causes which inevitably will affect dozens of other agricultural commodities. We have spent I do not know how many hours discussing the effect of this bill upon the dairy industry. It is perfectly obvious that if we take certain acreage out of the production of one commodity, we turn it over to the production of another commodity. To prevent a surplus in one commodity, we stimulate the production of another. As a result all sorts of proposals are being made to restrict the use of the diverted acreage. It is

perfectly obvious that we are dealing with an integrated problem; but in this bill we are trying to increase prices for the producers of a limited number of commodities.

Corn is a commodity which is marketed chiefly through livestock. If we unduly restrict the supply of corn, we immediately affect the livestock industry. Therefore, I am frankly seeking to avoid the imposition of the restrictive effects of this bill on corn until the surplus is so great that it is necessary to do it to protect the corn farmer. I do not believe that the restrictive effects should be imposed every year, as they will be under this bill, with the almost certain result that the livestock industry will be very harmfully affected thereby; and since the Department of Agriculture is in accord with the general purpose of the suggestion I make, and since the bill as reported by the House Committee on Agriculture is in accord with this suggestion, I hope it will be adopted by the Senate.

Mr. McGILL. Mr. President, will the Senator yield for a moment before he takes his seat?

Mr. O'MAHONEY. I yield.

Mr. McGILL. If the amendment proposed by the Senator should be adopted, and then if the amendment he proposes on page 67 should be adopted as to what "normal" shall mean, the marketing quotas would not go into effect until there was 10 percent more corn on hand than is now provided for by the bill. While the amendment is in the portion of the section dealing only with the hearings to be called by the Secretary, or to be conducted by him, nevertheless the very next section provides that—

If the Secretary determines on the basis of such hearings that the total supply for the commodity will exceed the normal supply therefor by more than the percentage above specified, he shall proclaim the amount of such total supply and that, beginning on the 15th day after the date of the proclamation, a national marketing quota shall be in effect—

Mr. O'MAHONEY. Yes; the Senator is right about that.

Mr. McGILL. Therefore, the percentage which the Senator is now seeking to add does have to do with the amount on hand at the time when a marketing quota could be put into effect. As the bill is now drawn, the normal supply of corn, being the domestic consumption and carry-over and exports, would be 2,375,000,000 bushels. Under the provisions as they now are contained in the bill, with the committee amendments, should there be 10 percent more than that, the Secretary would be called upon to establish the marketing quota and hold a referendum. If the Senator's amendment is agreed to—if the Senator's time is up I will address the Chair and take the floor—he will have raised the percentage 5 percent in this section, from 10 to 15 percent; then he will go over to page 67 and add 5 percent there to what "normal" means, and will, in effect, say that before a marketing quota can be voted upon by the corn producers, there shall be 20 percent more than the bill now provides.

That is the effect of the Senator's two amendments.

I do not agree that we are seeking to cut down production in a way that will be a detriment to the people of the country generally engaged in other activities or in producing other commodities. This matter has been presented to the corn farmers of the country quite thoroughly, in my judgment, and to some of the very best informed corn farmers of the country. They objected to having the 5 percent added to what would constitute a normal supply. They objected to having a greater amount on hand before they should have the right to vote as to whether a marketing quota should be enforced upon them.

In my judgment, the Senator's amendment should be rejected. The committee amendment is identical with the language of the original bill so far as the commodity of corn is concerned. The Senator proposes to add to that, and later proposes to add to what shall be the normal supply. The Secretary of Agriculture, in his letter, if we are to be guided by his judgment—and, of course, we should take it into consideration in determining what we shall do—stated, as I understood, that he desired the terms of the original bill with

reference to corn. Those terms would represent the 10 percent as we now have it and would add 5 percent to the meaning of the term "normal" in the bill. If we are to be guided by the Secretary's letter, we should reject the amendment of the Senator from Wyoming.

Mr. FRAZIER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. BLBO in the chair). The Senator will state it.

Mr. FRAZIER. Does the pending amendment include an increase in wheat as well as in corn?

The PRESIDING OFFICER. It does not. The amendment of the Senator from Wyoming affects corn only.

Mr. FRAZIER. I suggest to the Senator from Wyoming that he include wheat as well as corn in his amendment.

Mr. O'MAHONEY. Mr. President, I am not speaking for a wheat-growing State. I did not presume to incorporate wheat in the amendment; but if the Senator from North Dakota cares to perfect the amendment by offering such a change, I shall be very glad to accept it.

Mr. McGILL. Mr. President, I do not think the Senator from Wyoming quite means what he said in his last statement. In this section the committee amended the percentage of wheat, but did not amend the percentage of corn.

Mr. O'MAHONEY. The committee cut the wheat percentage from 20 to 10, and the Senator from North Dakota is objecting to that.

Mr. McGILL. The same argument does not apply. We did not change this section insofar as the percentage of corn is concerned. We made a change later on as to what the term "normal" means. We did that as to wheat, and we also changed the percentage of wheat.

Let us take a vote on the question with reference to corn and also a vote with reference to wheat, but they ought not to be voted on together. There is a difference in the argument applicable to them.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wyoming, on page 24, line 11, to strike out "10 percent" and insert "15 percent."

Mr. FRAZIER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FRAZIER. Can an amendment be made to the amendment to include 15 percent on wheat also?

The PRESIDING OFFICER. After the amendment of the Senator from Wyoming is disposed of, the Senator from North Dakota can offer such an amendment.

Mr. ADAMS. Mr. President, I wish to direct an inquiry to the Senator from Wyoming [Mr. O'MAHONEY] as to the second portion of the amendment. On page 67 of the bill is a definition of what constitutes a normal supply of various agricultural commodities, and that normal supply so defined is the basis of the compilation to be made on page 24.

Mr. O'MAHONEY. That is correct.

Mr. ADAMS. In that definition a normal year's supply of wheat is domestic consumption and exports plus 10 percent thereof as an allowance for a normal carry-over; for cotton, a normal year's domestic consumption and exports plus 35 percent; rice, an increase of 10 percent; for tobacco, an increase of 175 percent; but corn, and corn alone, is held down in computing the normal supply for the purpose of this computation to the actual consumption and exports.

I inquire of the Senator from Wyoming if he knows why there should be this apparent discrimination against corn?

Mr. O'MAHONEY. I have found no adequate explanation of that difference. I do not know why corn should be treated upon a different basis from any other of the so-called surplus commodities.

Mr. ADAMS. The argument which was addressed to the Senator from Wyoming was that if his amendment should be adopted and 7 percent added on page 67 to compute the normal supply of corn, then when we went back to page 24 we would have 17 percent, but in the case of wheat as it now stands it would be 20 percent. In other words, we are not bringing corn to a parity with wheat under the amendment proposed by the Senator from Wyoming.

Mr. O'MAHONEY. The Senator from Colorado is exactly right about that as I see it.

Mr. McGILL. Mr. President, the bill as originally drawn—the language on page 67—defines a normal supply of corn as "a normal year's domestic consumption and exports, plus 5 percent." That 5 percent was stricken out by the committee. In the case of wheat, the standard is the normal domestic consumption and exports, plus 10 percent. There is every reason in the world why "normal," as to the consumption and exports of wheat, should be greater than that as to corn because the export of corn is almost nil, but there is a great deal of wheat on the export market. In my judgment, the loan values on wheat ought not to be as high as on corn. We have changed the definition of "normal" for wheat, as I recall. I think the original bill defined "normal" to mean all domestic consumption and exports, plus 20 percent. We have reduced it to 10 percent, and have reduced corn 5 percent, and have really treated them in about the same way. I think there has been no discrimination. The reason for the difference is that one is more on an export basis than the other.

Mr. ADAMS. One of the fundamentals of the bill is the establishment of an ever-normal granary. In other words, it is hoped that during the good years a reasonable surplus will be accumulated to tide the country over the years when there may be a deficit. As between wheat and corn, there is this difference: I come from a State that produces relatively more wheat than corn, but corn affects other domestic industries probably more than wheat. We have the livestock industry dependent upon corn. It seems to me there is certainly as much reason for having an adequate supply for carry-over of corn from the good years as in the case of wheat. In this particular, from the standpoint of the feeder of livestock, none of us want the feeder of livestock to be caught in a jam and unable to feed his livestock. We are interested in fair prices for the producer of corn and we want adequate supplies of feeding material for the producer of livestock. It seems to me that if we treat corn as asked in the amendment of the Senator from Wyoming, it would be only fair.

Mr. McGILL. This has no application to the amount to be produced or the amount to be put in the granary. This has to do only with the time when the farmer has a right to vote relative to a marketing quota.

Mr. ADAMS. It all goes back to the question of the quota on page 24 of the bill, because those provisions are all tied together.

Mr. O'MAHONEY. As the Senator from Colorado has so well stated, with respect to every other commodity there is a specific provision in the bill for carry-over, but there is no provision in the bill for carry-over of corn. In other words, the quota provisions, the election provisions, the restrictive control provisions with respect to other commodities, do not go into effect until there is a substantial carry-over; but with respect to corn they go into effect almost immediately. From the point of view of the livestock industry it seems to me impossible to conceive why that exception should be made, and how we can avoid feeling that it constitutes a different interpretation of the law from the viewpoint of the livestock industry.

Mr. McGILL. Mr. President, I still contend the percentage we are providing has to do only with when the time quotas shall go into effect, not with the amount produced or carry-over or anything of the sort. Probably it is not as necessary to have as large a carry-over as we sometimes think. As I understand, throughout a good many years of our history we have never had a shortage of corn except during the recent drought. That was the only time in the history of the country. We have always had more than an ample supply. We have never had a shortage of wheat, regardless of the drought, but have more than an ample supply, and have had an ample supply at all times.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

Mr. McNARY. On that I call for the yeas and nays.
The yeas and nays were not ordered.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lee	Pope
Andrews	Dieterich	Lodge	Reynolds
Austin	Donahay	Logan	Russell
Bankhead	Duffy	Lundeen	Schwartz
Barkley	Ellender	McAdoo	Schwellenbach
Berry	Frazier	McCarran	Sheppard
Bilbo	George	McGill	Shipstead
Borah	Gerry	McKellar	Smith
Brown, Mich.	Gibson	McNary	Steiwer
Brown, N. H.	Gillette	Maloney	Thomas, Okla.
Bulkeley	Graves	Miller	Thomas, Utah
Bulow	Guffey	Minton	Townsend
Burke	Harrison	Moore	Truman
Byrd	Hatch	Murray	Tydings
Byrnes	Hayden	Neely	Vandenberg
Capper	Herring	Norris	Van Nuys
Caraway	Hitchcock	Nye	Walsh
Chavez	Johnson, Calif.	O'Mahoney	
Clark	Johnson, Colo.	Overton	
Connally	La Follette	Pepper	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

Mr. POPE. Mr. President, so far as this amendment is concerned it does not affect my State. My State does not produce corn for market.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for a moment?

Mr. POPE. I yield.

Mr. O'MAHONEY. In view of the fact that we have just had a quorum called for the purpose of having a vote upon this question, I feel that it might be proper for me to make a word of explanation in advance of the Senator's statement so that Senators who have just come into the Chamber may know what the proponents of the amendment desire to accomplish.

Mr. POPE. I wish to say to the Senator that I can speak only once on the amendment, and I shall lose my opportunity to say what I intended to say if I yield the floor. I should be glad to yield otherwise. I think what the Senator suggests would be the logical way of presenting the matter.

Mr. O'MAHONEY. I would be speaking in the Senator's time and would make my statement very brief.

Mr. POPE. Very well.

Mr. O'MAHONEY. Mr. President, the amendment on page 24, line 11, changing from 10 to 15 the percentage which governs the preliminary requirement before the marketing quota shall come into effect, goes to the heart of the problem presented by the bill. The Secretary of Agriculture has indicated that his theory is the establishment of an ever-normal granary. To that end he desires that there shall be a substantial carry-over of the various commodities which are dealt with in the bill.

With respect to every one of these commodities Senators will see, by looking at page 67, that there is a substantial carry-over, except in the case of corn. The normal supply of wheat is defined as a normal year's domestic consumption and exports plus 10 percent.

The normal supply of cotton is defined as a normal year's domestic consumption and exports plus 35 percent.

The normal supply of rice is defined as a normal year's domestic consumption and exports plus 10 percent.

The normal supply of tobacco is defined as a normal year's domestic consumption and exports plus 175 percent.

The normal supply of corn is defined as a normal year's domestic consumption and exports, with no excess to provide for the normal granary.

Corn is an essential element in the feeding of livestock. The interposition of these restricted quotas upon corn will have an inevitable and almost immediate effect upon the livestock industry. Those of us who are representing States which are active in the livestock industry believe that

there should be at least the same carry-over or a similar carry-over for corn as there is for the other commodities. So we have presented this amendment, which changes the figure from 10 to 15 in one part of the bill, and the companion amendment, which makes the provision for a carry-over of 7 percent, making a total carry-over, as I understand, of about 2 or 3 percent greater than that which was originally provided.

The Department of Agriculture is in substantial agreement with this amendment. The House committee has reported a bill which contains the provision contained in my amendment.

Mr. POPE. Mr. President, how much time do I have on the amendment?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. POPE. I hold in my hand the letter from the Secretary to which reference has been made a number of times. The Secretary himself is from Iowa, a corn State, and I think his opinion on this point would be very valuable. I quote what he says in the letter:

Restoring the Pope-McGill bill's reserve supply levels to the committee bill would liberalize marketing quota provisions for the farmer, make the use of quotas less frequent, and reduce the degree of so-called compulsion to a lower and hence a more desirable minimum.

The original provisions of the bill, to which the Secretary referred, provided 10 percent for corn above the normal level as the point when marketing quotas might go into effect. The amendment of the committee contains the same figure, 10 percent. The only reason for putting it in italics is that the other portion was stricken out and the original restored. So the amount is 10 percent in the bill, which the Secretary approved.

With reference to the percentage in the normal supply level, before we calculate this additional 10 percent, the amount there was originally 5 percent for corn. The committee struck out the 5 percent. The Secretary recommends that in another part of the bill the 5 percent be restored. I think that ought to be cleared up, because the Senator from Wyoming has just said that his amendment was in accordance with the Secretary's letter. I think he is mistaken about that.

Mr. O'MAHONEY. I did not say that; I said it was in accordance with the views of the Department of Agriculture.

Mr. POPE. I have the Secretary's views very clearly expressed in the letter, and have referred to the letter. So if we desire to give value to the Secretary's opinion, then we should vote down the amendment of the Senator and keep the figure as it is in the bill.

I make this statement because many corn farmers have been in conference with us in connection with this matter. These corn farmers desire even a lower level than that contained in the bill and approved by the Secretary. I think their views should be given some consideration. I do not see either of the Senators from Illinois on the floor, but many farmers from Illinois have expressed themselves to that effect. Farmers from Iowa have expressed themselves in the same way. One of the Senators from Iowa favors the amendment. The other Senator from Iowa may express himself on the matter.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. GILLETTE. I do not think the Senator quite stated the position I took. I stated that personally I could see no objection to the amendment if it was in accordance with the wishes of the Department of Agriculture. From the statement the Senator has just made it apparently is not in accordance with the views of the Department of Agriculture.

Mr. POPE. I think that is entirely true. I want to be fair in this matter. So far as I am personally concerned, and so far as my State is concerned, I have no objection to the amendment of the Senator from Wyoming, but I do think that the interests of the corn farmer should be presented and that the Secretary's view should be made clear on this point. I rose, therefore, to make those matters clear.

Mr. MCGILL. Mr. President, will the Senator yield to me?

Mr. POPE. I yield.

Mr. MCGILL. In order to make the matter clear, and confining ourselves to the views expressed by the Secretary of Agriculture, as stated in his letter, and not the views merely of someone in the Department of Agriculture, I think the Secretary is very clear that his desire is that on page 67 of the bill there be added, in defining the term "normal supply of corn," the words "exports plus 5 percent as a carry-over," the same as it was in the original bill.

The portion now sought to be amended by the Senator from Wyoming is exactly as it was in the original bill. The only change the Secretary approves or asks for is the addition of the words "5 percent" in the definition of the word "normal" as constituting a carry-over.

Mr. ADAMS. Mr. President, will the Senator yield to me?

Mr. POPE. I yield.

Mr. ADAMS. The Senator from Kansas and the Senator from Idaho state that this 10-percent provision is identical with the Secretary's request. Merely, as a matter of mathematics, in one particular that is not accurate, because the 10 percent applies to the normal supply, to which the Secretary would have added 5 percent. So there is at least 10 percent of that 5 percent which is eliminated. In other words, it was 10 percent of 105 percent, rather than 10 percent of 100 percent.

Mr. MCGILL. That is correct.

Mr. POPE. That is a very small matter; but if the Senate should see fit to restore the 5 percent in the normal supply then with the 10 percent provided in the bill as it is, without the amendment, the wishes of the Secretary would be met.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment on page 24, line 11, to strike out "10 percent" and insert "15 percent."

Mr. O'MAHONEY. On the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BYRNES (when his name was called). I have a general pair with the senior Senator from Maine [Mr. HALE]. I transfer that pair to the junior Senator from Rhode Island [Mr. GREEN] and vote. I vote "nay."

The roll call was concluded.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS] who is absent. I transfer that pair to the senior Senator from Connecticut [Mr. LONERGAN] and vote. I vote "nay."

Mr. SHIPSTEAD (after having voted in the negative). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I find that the Senator from Virginia has not voted, so I withdraw my vote.

Mr. MINTON. I announce the pair of the Senator from Utah [Mr. KING] with the Senator from Washington [Mr. BONE]. The Senator from Utah, if present and at liberty to vote, would vote "yea." The Senator from Washington, if present and at liberty to vote, would vote "nay."

I announce that the Senator from Washington [Mr. BONE], the Senator from West Virginia [Mr. HOLT], and the Senator from Delaware [Mr. HUGHES] are detained from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

The Senator from Arizona [Mr. ASHURST], the Senator from North Carolina [Mr. BAILEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Nevada [Mr. PITTMAN], and the Senator from New York [Mr. WAGNER] are detained in important committee meetings.

The Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], the Senator from Connecticut [Mr. LONERGAN], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Maryland [Mr. RADCLIFFE]. The Senator from New Hampshire is absent on official business.

The Senator from Pennsylvania [Mr. DAVIS] is necessarily detained. His general pair has been previously announced. The result was announced—yeas 37, nays 38, as follows:

YEAS—37

Adams	Copeland	Lodge	Steiwer
Andrews	Dieterich	McCarran	Thomas, Utah
Austin	Donahay	McNary	Townsend
Berry	Duffy	Maloney	Tydings
Borah	Frazier	Moore	Vandenberg
Bulkeley	Gerry	Murray	Van Nuys
Burke	Gibson	Nye	Walsh
Byrd	Johnson, Calif.	O'Mahoney	
Capper	Johnson, Colo.	Russell	
Clark	Lee	Schwartz	

NAYS—38

Bankhead	George	Logan	Pepper
Barkley	Gillette	Lundeen	Pope
Bilbo	Graves	McAdoo	Reynolds
Brown, Mich.	Guffey	McGill	Schwellenbach
Brown, N. H.	Harrison	McKellar	Sheppard
Bulow	Hatch	Miller	Smith
Byrnes	Hayden	Minton	Thomas, Okla.
Caraway	Herring	Neely	Truman
Connally	Hitchcock	Norris	
Ellender	La Follette	Overton	

NOT VOTING—21

Ashurst	Glass	Lewis	Wagner
Bailey	Green	Loneran	Wheeler
Bone	Hale	Pittman	White
Bridges	Holt	Radcliffe	
Chavez	Hughes	Shipstead	
Davis	King	Smathers	

So Mr. O'MAHONEY's amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment of the Committee on Agriculture and Forestry, on page 24, line 8, to strike out "Cotton, 15 percent; wheat, 20 percent; field corn, 10 percent; tobacco, 10 percent; or rice, 10 percent" and to insert "Wheat, 10 percent; corn, 10 percent."

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 24, line 22, after the word "current", to strike out "crops of such commodity" and to insert "crop of such commodity; but no such proclamation shall be issued with respect to the current crop of any commodity if the Secretary has reason to believe that during the first 3 months of the marketing year for such crop of the commodity the current average farm price for the commodity will be more than the parity price therefor."

Mr. WALSH. Mr. President, I desire to ask the indulgence of the Senate while I make a very brief statement as to my position on the farm bill.

The farm bill now before the Senate, embracing elaborate and complicated plans and devices for extending governmental control over agriculture, for lifting the prices of wheat, corn, cotton, tobacco, and rice by restrictions upon production and storage of surpluses, and promising several sorts of bonus payments and crop loans, presents four major questions—four tests by which the measure must be judged.

First. Are the provisions of the bill within the clear and well-defined constitutional power and authority of the Federal Government?

Second. Will the program, if sanctioned by Congress, have the intended result and prove of manifest aid and benefit to the farmer?

Third. Will the program, if effectuated, prove detrimental to the other groups within our 48 States, the workers in our mines and factories, and in our shops and offices, and our railroads?

Fourth. Will the program, if fully carried out, impose additional burdens upon the Federal Treasury and the taxpayers?

From my own examination of this long and complex bill, and in the light of what has been revealed during the progress of the debate in the Senate, I am compelled to conclude that the proposals contained therein, so far from meeting

all four of those tests, do not, in fact, meet a single one of them.

First, with respect to the constitutional question, it is enough to say that the bill proceeds upon the theory that anything, however remote, which may be presumed to affect interstate commerce is within the constitutional power and authority of the Federal Government. A Government agency is to be empowered to decree how much a farmer may plant and how he shall dispose of his crop and to what use he shall put his idle acres, upon the theory that all these things affect interstate commerce, and hence may be controlled by the Federal Government. No court has ever taken any such view, and, in fact, the courts have invariably put a wholly different construction upon the commerce clause of our Constitution. If the theory upon which this bill rests its validity should now be approved by the courts, the result would be to confer upon the Federal Government unlimited and unchecked power and authority over every citizen in every walk of life and in nearly every detail of his daily life.

It could then be argued that the size and kind of a factory a manufacturer decided to build—indeed, the kind of an education a youth decided to secure—could be presumed ultimately to affect interstate commerce, and hence could be lawfully controlled by the Federal Government.

I do not believe any such doctrine will ever be upheld by the courts. The pending bill, under existing constitutional precepts, is utterly indefensible and far and away beyond the Federal power.

As to the question of whether the program contained in the bill could be successfully administered and would prove of aid and benefit to the particular classes of farmers which it is sought to help, it is enough to say that there is no assurance on that score, but, on the contrary, very grave doubt, and very considerable opposition from various farmer groups.

As to the question of the effect and consequences of any such program of artificial scarcity and attempted price boosting upon the country as a whole and upon the workers in industry in particular, it is self-evident that the inevitable consequence would be increased cost of food and clothing, plus increased taxes, both contributing to still further increases in the cost of living.

The bill itself is silent on what it will cost to carry out the program and as to who is to be taxed to pay the cost; and the proponents of the bill have frankly declared that they do not know what the ultimate cost will amount to and explain why by its very nature the total cost is impossible of accurate forecast. The estimates have ranged from seven hundred and fifty million to fifteen hundred million dollars annually as compared with \$500,000,000 being currently expended for the aid and benefit of the farmers under the 1935 farm bill, the so-called soil-conservation control program. These estimates have been made by various Senators, who have been asked to give their estimates on the floor of the Senate Chamber. The so-called soil conservation or control program will, it is said, cost somewhere between the figures named.

It has been suggested by the proponents of the bill that Congress may limit the cost of this new program by the simple expedient of limiting the appropriation to whatever figure Congress sees fit—perhaps to the present \$500,000,000 figure. But such a contention ignores the simple fact that the bill before the Senate undertakes to promise to the farmer parity prices, as well as scheduled acreage payments, and promises to take over all surpluses in maintaining an "ever-normal granary," and that if Congress enacts such a program and legislates such promises and the payments from the Treasury are not forthcoming we shall have perpetrated a swindle upon the farmer through the bill. It is utterly unconscionable to set up a plan of parity payments to the farmer unless we intend to appropriate the funds to meet the payments; and if that be done, then without a particle of doubt we are embarking upon huge additional governmental expenditures at a time when there are the most compelling reasons for refraining from imposing new

and permanent burdens upon the Federal Treasury and the taxpayers.

Mr. President, in conclusion, for all these reasons, briefly stated, I cannot support the bill pending before the Senate. I believe it ought to be recommitted to the Committee on Agriculture and Forestry for further study and for entire revision, and I intend so to vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, on page 25, line 7, after the words "of the" where they occur the first time, to strike out "national soil depleting base acreage for the commodity computed on the basis of the national average yield for the commodity" and insert "soil-depleting base acreage of each farm", so as to read:

The Secretary shall determine and specify in such proclamation the amount of the national marketing quota for the commodity both in terms of the quantity which may be marketed and in terms of a percentage of the soil-depleting base acreage of each farm. The amount of the national marketing quota for the commodity shall be so fixed as to make available during the marketing year at least a normal supply of the commodity and in no event shall it be less than the normal supply for the commodity adjusted by deducting, first, the carry-over available for marketing and, second, the quantity not produced for market, nor, on the other hand, shall it in any case be greater than the ever-normal granary supply level similarly adjusted.

The amendment was agreed to.

The next amendment was, on page 25, line 23, before the word "farm", to insert "such", so as to read:

(c) Between the date of the issuance of the proclamation specified in subsection (b) (which shall not be later than 15 days prior to the beginning of the marketing year) and the effective date of the national marketing quota, the Secretary shall conduct a referendum of farmers producing the commodity who would be subject to such farm marketing quotas to determine whether such farmers are opposed to such quotas with respect to the current crop of the commodity. If more than one-third of the farmers voting in the referendum oppose such quotas for the commodity, the Secretary shall by proclamation suspend the operation of the national marketing quota with respect to the current crop of the commodity and shall further proclaim that surplus reserve loans shall not be available thereafter with respect to the commodity during the period from the date of such proclamation until the beginning of the second succeeding marketing year.

The amendment was agreed to.

The next amendment was, on page 26, line 10, after the word "supply", to strike out "of any major agricultural commodity", so as to read:

(d) If the total supply as proclaimed by the Secretary within 45 days after the beginning of the marketing year is less than that specified in the proclamation proclaimed by the Secretary under subsection (b), then the national marketing quota specified in the proclamation under subsection (b) shall be increased accordingly.

The amendment was agreed to.

The next amendment was, on page 26, after line 16, to strike out:

(e) No marketing quota shall be placed in effect with respect to any crop of a major agricultural commodity harvested prior to 1938.

The amendment was agreed to.

The next amendment was, on page 26, at the beginning of line 20, to strike out "(f)" and insert "(e)"; and in the same line, after the word "through", to insert "the State, county, and".

Mr. McNARY. Mr. President, this probably is a wise suggestion in the form of an amendment; but I should like to have one of the Senators in charge of the bill explain why the language in the original edition of the bill has been changed to include "State and county," thereby taking away much of the jurisdiction, power, and authority which heretofore was lodged in the local committees under the original edition of the bill.

Mr. McGILL. Mr. President, I will say to the Senator that I did not offer this amendment in the committee. I think

it is an amendment which was proposed by persons from the Department of Agriculture.

Mr. McNARY. Let me remark to the able Senator that he has reported this bill. It is before us. Under the bill, as we studied it, the folks back home thought the local committees were going to have much to do with this question of marketing quotas. It occurs to me, without an explanation, that we are taking the matter away from the local committees, and we are going away off from the farm and the farmer's friends and associates and neighbors back to the State bureaucracy, someone high up in the councils of the State—perhaps the department of agriculture in a particular State—whereas we thought the farmer wanted to deal through his local committee. It may be a good thing, but I should like to have the Senator explain why this edition of the bill was changed from one or two of the others after the measure was presented to the Senate.

Mr. McGILL. Mr. President, in order to pass upon this amendment, I think we must take the two amendments together. The amendment adds, after the words "The Secretary shall provide, through", the words "the State, county, and", and then, after "local committees of farmers", the words "hereinafter provided"—that is, the local committees and the State and county committees as hereinafter defined in the bill.

Without any language added to the provision as originally framed, it would merely read:

The Secretary shall provide, through local committees of farmers, for farm marketing quotas.

And he would not be required to use those which had been selected by the farmers themselves. I think that was the reason for the amendment.

Mr. GILLETTE. Mr. President, yesterday afternoon, in considering another committee amendment, the Senate took action with reference to a very similar matter; but that matter pertained to the assignments of the soil-depleting acreage down through the various administrative units to the local units. The Senate, by action, provided that the soil-depleting acreage of each farm should be allotted by the local committee of farmers set up within that administrative unit, as hereinafter provided. Having in mind at that time the fact that this amendment would come up at a later period, I called attention to it and suggested that a similar amendment would apply to this provision when it came to the matter of allotting the compulsory provisions of a control program; and I am still convinced that we ought, as far as possible, to keep that, as we hoped to do all through the bill, locally controlled, especially as it pertains to the individual farm.

In examining this particular provision, however, it seemed impossible, without entirely changing the language, to oppose the committee amendment without putting ourselves in such a position that we could not amend the language at a later time.

I sincerely hope there will be no objection to this particular amendment going over at this time, in order that we may see if we cannot meet the situation by a proper amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. I yield to the Senator from Kentucky.

Mr. BARKLEY. I am wondering whether this language really eliminates local committees. It says that "the Secretary shall provide, through the State, county, and local committees" for these quotas. Might not that be interpreted to mean that if a county quota is to be made, it shall be done through the county committee? I do not know whether there would be such a thing as a State quota upon any crop or not; but if such a thing were contemplated, it would have to be done through a State committee; or, if it were a local quota, it would still be done through a local committee. I am wondering to what extent this language eliminates the local committees in fixing these quotas.

Mr. McNARY. Mr. President, that is a very easy question to answer.

When copies of this bill were distributed the farmers were told that they had to deal with local committees on this

important subject of fixing the quotas on their farms. For some reason not yet assigned, the bill was amended to include State and county committees. We know what that means—that the State will dominate the county, and the county will dominate the local committee, and there will be no local committees in an effort to function under this section. That is very, very obvious. We are getting away from the community. We are getting farther away from the county. We are not only getting away from the county but we are going back to the State authority, which takes the whole control away from the farmer.

I am not going to press the matter, in view of the statement of the Senator from Iowa that he intends to offer an amendment if the amendment goes over; and I shall be glad to consent to its going over.

Mr. GILLETTE. Mr. President, in further reply to the inquiry of the distinguished majority leader, I will state that the difference between the pending amendment and the one on which we acted yesterday is this:

In the section assigning the allotments of the depleting base acreage there was definite provision that the Secretary of Agriculture shall assign the State quota, shall assign the county quota, shall assign the administrative unit quota; and the language requiring the State and county committees to participate in assigning quotas to the individual farms was manifestly out of line, because they had no function to perform. The quotas were to be assigned from central headquarters here in the Agricultural Department.

While I am just as anxious as the Senator from Oregon is to retain the control of the local committee, there is in the pending measure no provision for assigning the State quota or the county quota. There is simply the general provision that "the Secretary shall provide, through the State, county, and local committees" for the marketing quota for each farm. I hope we can work out an amendment which will retain in the bill the local committees selected by the farmers themselves, consisting of all the farmers eligible to receive contracts within an administrative unit, so that they may assign to the individual farms the marketing quotas.

Mr. BARKLEY. Mr. President, let me ask the Senator a further question. Suppose this function were limited altogether to local committees, and that the aggregate of all the decisions rendered by the local committees should accord to any State a larger quota than its proportion among the other States growing the same product would permit, what then would happen? Would there be anybody who would adjust the matter so as somewhat to even things up as among the States?

Mr. GILLETTE. The Senator is referring to this particular provision dealing with marketing quotas?

Mr. BARKLEY. Yes.

Mr. GILLETTE. No; the provision here is that the Secretary shall provide through these various units, down through the local committee, for the acreage or quota for each farm. It is because that is the only provision on the subject, and that it is general in its nature, without specifying what functions the State committee shall perform, what functions the county committee shall perform, or what functions the local committee shall perform, that I think it should be clarified. I want the Secretary to have power, when he imposes a marketing quota, to determine, if that is the purpose of the bill—I am not speaking for myself personally—

Mr. BARKLEY. If the matter is to go over, I do not think we need discuss it further now. I have no objection to its going over.

Mr. BORAH. Mr. President, before the amendment goes over, I wish to refer back to subdivision (c) on page 25, with reference to the so-called referendum:

Between the date of the issuance of the proclamation specified in subsection (b) (which shall not be later than 15 days prior to the beginning of the marketing year) and the effective date of the national marketing quota, the Secretary shall conduct a referendum of farmers producing the commodity who would be subject to such farm marketing quotas to determine whether such farmers

are opposed to such quotas with respect to the current crop of the commodity. If more than one-third of the farmers voting in the referendum oppose such quotas for the commodity, the Secretary shall by proclamation suspend the operation of the national marketing quota with respect to the current crop of the commodity and shall further proclaim that surplus reserve loans shall not be available thereafter with respect to the commodity during the period from the date of such proclamation until the beginning of the second succeeding marketing year.

I wish to say to the authors of this measure that it seems to me they ought to give further consideration to the question of the referendum. No one can tell from this provision what the referendum is to be, how it is to be taken, whether it is to be taken by vote, or by lifting up hands, or by a canvass of the county committees, or how.

This is a very important matter, and there ought to be some specification of the manner in which the referendum is to be taken. What is a referendum? Is it a secret vote, so that the farmers may be protected? A day or two since I received a letter from a farmer in upper New York in which he said that on the referendum up there with reference to potatoes, out of some 200 potato raisers only 9 men in the county voted, and he gave the reasons why that was so. They did not want to be recorded against it; they did not want to be identified with being against it, although they were; so they stayed away. There ought to be some real protection on the question of referendum.

What I want to bring to the particular attention of the Senate in connection with this proposition is that the Secretary shall by proclamation suspend the operation of the national marketing quota, and so forth, and, as provided in this very clause:

Shall further proclaim that surplus reserve loans shall not be available thereafter with respect to the commodity during the period from the date of such proclamation.

In other words, the farmers are notified in advance that if they vote against the quota, the benefit of commodity loans will be wiped out and withdrawn. That is practically notice to them that they are losing a very important benefit under the terms of the bill, as previously provided for in the bill in relation to loans on all commodities, if they vote against the quota. I think it ought not to be there. Of course, that is provided in the text and we cannot deal with it now, but I trust we shall do so later.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. BORAH. Certainly.

Mr. MCGILL. I do not believe the provision that there shall be no loans means what the Senator has in mind. It is merely to protect the Government. A marketing quota should be had, in order to obtain reasonable prices for the commodity in question, and if it cannot be had, the Government ought not to be called upon to make the loans. That is the object of the provision.

Mr. BORAH. What is the Senator's conception of a referendum under this provision? How shall the vote be taken and how shall the farmers' views be ascertained?

Mr. MCGILL. I assume it will be done very much as it was done under the former Bankhead Cotton Act. We have no way of setting up machinery in advance for conducting an election throughout the various States with reference to the question. It is simply one provision in the measure which provides a way whereby the farmer may vote upon a marketing quota.

Mr. BORAH. It is an important matter, and I ask if there will be any verity in a referendum when taken unless there is some protection to the farmer expressing himself, something in the nature of a secret vote. The farmers are perfectly aware of what may follow in case they do not agree to the program.

Mr. MCGILL. Referenda of this character have been taken under former programs, under the corn and hog program while it was in effect, under the cotton program while it was in effect, and under the tobacco program while it was in effect. I never heard of any complaint with reference to the manner in which those referenda were conducted or that the farmer was not given a fair opportunity to express himself.

Mr. BORAH. Then the Senator has not heard all the facts.

Mr. MCGILL. I think I have heard a great many of the facts, because I have lived most of my time in a State where we produce corn and wheat.

Mr. BORAH. Unless there is some degree of secrecy about the matter, some protection in that respect, I do not think any real referendum can be taken.

Mr. MCGILL. We have then had a great many elections in the United States when no real election was held. I remember when I was a boy that a voter had to go and call for the party ticket he wanted, and thus let it be known to the election board how he was going to vote.

Mr. BORAH. That was during the period when the boss voted the people in sufficient numbers to carry the election. That is just the gentleman I want to get rid of in this matter.

The PRESIDING OFFICER. The Senator from Iowa [Mr. GILLETTE] asks that the amendment on page 26, lines 20 and 21, be passed over. Without objection, the amendment will be passed over.

The clerk will state the next committee amendment.

The next amendment was, on page 27, line 1, after the word "market", to strike out: "The marketing quota for any farm shall be the amount of the current crop of the commodity produced on the farm less, first, the normal yield of the acreage on the farm devoted to the production of such commodity in excess of that percentage of his soil-depleting base acreage therefor which is equal to the percentage of the national soil-depleting base acreage specified in the proclamation of the Secretary, and, second, any amount of such crop placed under seal pursuant to the provisions of section 4" and insert in lieu thereof the following: "The marketing quota for any farm shall be the amount of the current crop of the commodity produced on the farm less the normal yield of the farm acreage planted to such crop in excess of the percentage, as proclaimed under this section, of the farm's soil-depleting base acreage for such crop", so as to read:

(e) The Secretary shall provide, through the State, county, and local committees of farmers hereinafter provided, for farm marketing quotas which shall fix the quantity of the commodity which may be marketed from the farm. Such farm marketing quotas shall be established for each farm on which the farmer (whether or not a cooperator) is engaged in producing the commodity for market. The marketing quota for any farm shall be the amount of the current crop of the commodity produced on the farm less the normal yield of the farm acreage planted to such crop in excess of the percentage, as proclaimed under this section, of the farm's soil-depleting base acreage for such crop. In no event shall the marketing quota for any farm be less than the normal yield of half of the soil-depleting base acreage for the farm.

Mr. McNARY. Mr. President, I gave some study this morning to the language as expressed in the pending amendment, which is a modification of the original text. I was trying naturally to ascertain what would be the marketing quota of a farmer producing wheat and corn. It is a very important thing for the farmer to know how much he can produce on the acreage which he is allowed to cultivate, seed, and harvest under permission of the Secretary of Agriculture. It must be remembered that the farmer is to be harnessed and is to be told how much of his land he may farm by planting and cultivating and producing. I worked out this formula and I want to see if I have interpreted it correctly.

I take the base acreage as 10 acres. I am trying to apply the language to the actual condition of a farmer owning 10 acres, all cultivable. The amount of current crop I assume is 20 bushels per acre. Multiplying 10 by 20, if all the farm were employed, he would then produce 200 bushels if he were let alone. But he has had to submit to the dictation of the Secretary of Agriculture. The percentage of reduction fixed by the Secretary might be 10 percent or 25 percent or 50 percent, but I am trying to draw a moderate picture of the figures, so I have assumed the percentage of reduction is 10 percent. Accordingly we take 10 percent of 10 acres and we find by that process of arithmetic that we have arrived at a result of one acre.

The Secretary has told him that he cannot produce anything on 1 acre of his 10 acres. The normal yield of that 1 acre is 20 bushels. I am making this simple because this

is a little different process. We apply the marketing quota to the farmer. The current crop would have produced 200 bushels on the 10 acres, minus 20 bushels, the normal yield over the percentage fixed by the Secretary, which leaves the farmer 180 bushels that he has a right to market under his quota.

Mr. President, I think that probably illustrates the complications involved in this complex provision. It further illustrates how helpless the farmer is under these quotas when an edict of the Secretary of Agriculture goes out telling him how much of his farm he can use.

I inquire of the Senator from Idaho [Mr. POPE] if I have made a fair and accurate statement of the application of this language to a given case.

Mr. POPE. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. I asked the question expecting an answer.

Mr. POPE. As nearly as I could follow the Senator he has made an accurate computation. I invite his attention to a chart which has been carefully prepared and is now on the wall, showing the calculations under this provision of the bill. In the chart the Senator will see that we assume a farm with a base acreage of 200 acres. Seventy-seven percent of the base acreage would be the amount which the farmer could actually cultivate. In another chart we have shown how the 77 percent would be reached.

Mr. McNARY. The Senator is assuming a different situation than is detailed in the amendment then.

Mr. POPE. Not at all.

Mr. McNARY. Where does he get the 77 percent? Who declares the 77 percent?

Mr. POPE. The Secretary of Agriculture.

Mr. McNARY. What percentage is the Senator using?

Mr. POPE. I am using 77 percent as the amount of base acreage determined by the Secretary, as I indicated a few moments ago. I have shown by another chart how the Secretary would arrive at that percentage. Seventy-seven percent of the base acreage would be 154 acres in this case. Assuming the acreage actually planted by a noncooperator is 220 acres, he plants 20 acres more than his base acreage.

Mr. McNARY. Is he permitted to do that?

Mr. POPE. If he is not a cooperator, he can do it, but if he is a cooperator he cannot do it.

Mr. McNARY. But he is supposed to be a cooperator to get the benefits of the bill. If he is not a cooperator, he does not get the parity payments, soil-conservation benefit payments, and the privilege of going to get a loan from this corporation.

Mr. POPE. He could get a 70-percent loan.

Mr. McNARY. Oh, yes. But the Senator cannot jump from a cooperator to a noncooperator to explain the illustration.

Mr. POPE. I certainly can. The marketing quota applies to the noncooperator, so we have a perfect right to apply the calculation to a noncooperator as well as to a cooperator. It will be noted that I have applied it on this chart to a noncooperator, assuming that he actually planted 220 acres.

Mr. McNARY. Could he do that if he were a cooperator and under contract?

Mr. POPE. No; he could not.

Mr. McNARY. That is the point I am making. The Senator is giving an illustration that is impossible because it is provided against in the contract.

Mr. POPE. I can make a calculation on the basis of the cooperator and make another calculation on the basis of the noncooperator, and this particular illustration is that of a noncooperator. I would have to make a different calculation as to a cooperator.

Mr. McNARY. But the cooperator could not plant 220 acres.

Mr. POPE. No.

Mr. McNARY. Because his adjustment contract would not permit it.

Mr. POPE. Certainly, but will not the Senator concede that the marketing quota applies to the noncooperator as well as to the cooperator, and then will he not permit me to explain what happens to the noncooperator?

Mr. McNARY. The Senator is confusing the whole matter by taking up the case of a noncooperator who does not work under a contract. However, let the Senator proceed.

Mr. POPE. The Senator illustrated his point by using the case of a cooperator. I want to apply it to a noncooperator to show how it will work.

Mr. McNARY. The Senator does not think there will be many noncooperators, does he?

Mr. POPE. I have no doubt there will be some noncooperators under any voluntary program. If the Senator desires me to do so I shall be glad to show how this works out under the program.

The noncooperator would plant 220 acres. Then the excess of the acreage over the specified base acreage would be 66 acres. In other words, he has 66 acres more than his base acreage. If the normal yield per acre is 10 bushels, the normal yield of the excess acreage referred to in this formula would be 660 bushels. Assuming the actual yield on the farm is 15 bushels, then the actual production on 220 acres would be 3,300 bushels. That is the amount he actually raises. Then subtract the normal yield from the excess acreage, 660 bushels, and we have as the farm marketing quota 2,640 bushels. All over and above the marketing quota would have to be stored, so he would actually store 660 bushels.

That is the case of a noncooperator. We could take a cooperator, and instead of assuming that he planted 220 acres, say he planted 154 acres, and then make the calculation. Of course, we have to ask whether he is a cooperator or noncooperator in determining what the marketing quota would be.

Mr. McNARY. The Senator has attempted to explain a very difficult provision of the bill.

Mr. POPE. It does not seem to me to be a difficult computation.

Mr. McNARY. I am very glad that it is easy for the Senator. I am sorry the Senator did not use the cooperator in his example, because about 100 percent of those who come within the provisions of the bill are supposed to be cooperators. If a cooperator had 200 acres, and that was the soil-depleting base acreage, what would be his quota under the provisions of the bill? In other words, if one is a cooperator, and has a contract before he becomes a cooperator, and the inducements are three in number, which I do not care again to recite, having mentioned them just a moment ago, if he had 200 acres susceptible of being planted to wheat, he would want to know how many bushels of wheat he could raise and come within his quota. If he exceeds his quota, he is up against a penalty, a very severe penalty. He wants to get his whole quota in, because he naturally wants to raise all the wheat he can on this acreage, because he pays taxes on his whole farm all the time.

If this is so simple to the Senator, I ask him this question. Let us suppose a man is a cooperator, and has 200 acres. Assume he raises 50 bushels per acre. That is a little high in Idaho, and so we will say 10 bushels, and make it easy. What would then be the full amount, the maximum quota, which this cooperator could sell without coming in conflict with the penal provisions of the law?

Mr. POPE. If he produced exactly the normal, then there would be no amount stored; he would be observing his marketing quota, if he should happen to produce a normal amount. But if he produced more than the normal amount, then the amount above the normal, in the case of the cooperator, would be the amount he would store.

Mr. McNARY. I worked out a formula a moment ago which I thought fitted into this case, and I think it is simpler than the other formula. Assuming one is a cooperator—and he has not any business owning a farm if he is not a cooperator, under the bill, if there is anything to it—and suppose he raises 10 bushels an acre, and his soil depleting base acreage is 200 acres. He is anxious to know how much of that acreage he can sell when the harvest is ripened and threshed. What will be his maximum quota? I ask the Senator to apply his own figures and tell me, on that basis,

how much that poor farmer will have to sell. How much will he be permitted to sell?

Mr. POPE. Whether he were a poor farmer or a well-to-do farmer would make no difference.

Mr. McNARY. I do not mean poor in the sense of money. I mean poor in the sense that he is unfortunate in having to go up against this sort of thing.

Mr. POPE. He would be fortunate or unfortunate according to the way one looks at it. In the case to which I have referred, we assume that he produced 30 bushels to the acre.

Mr. McNARY. I made it easy. I said 10 bushels.

Mr. POPE. Ten bushels is his normal production. If he produces 15 bushels per acre, instead of 10, then the amount of excess he would raise would be the amount that would go into the normal granary, if he complied in every other respect.

Mr. McNARY. I did not know this section had any reference to the normal granary.

Mr. POPE. I use that in the sense that it would be stored in the ever-normal granary.

Mr. McNARY. The Senator means stored under seal?

Mr. POPE. Yes.

Mr. McNARY. And he cannot sell?

Mr. POPE. Yes.

Mr. McNARY. He might get a loan from the loan corporation, and the wheat might not go into the ever-normal granary at all.

Mr. POPE. The ever-normal granary is in operation in exactly the same way. The wheat is stored under seal, and whether it is under the marketing quota provision or not, so long as it is stored with a loan against it, it is in the same position.

Mr. McNARY. Will the Senator be able tomorrow to tell that farmer, if he has 200 acres, and produces 10 bushels, what his position would be?

Mr. POPE. I can make the calculation in 5 minutes and tell him now.

Mr. McNARY. Very well. I would like to see it checked up.

The PRESIDENT pro tempore. The Senator's time on the amendment has expired.

Mr. POPE. Mr. President, in a colloquy this morning it was stated that an amendment concerning the dairy interests and the matter of ensilage would be prepared and submitted later. That subject seems to lend itself to an amendment of this committee amendment. Therefore, I suggest that the matter go over until the Senator from New York, the Senator from Wisconsin, the Senator from Vermont, and others interested, may present an amendment to cover that matter.

The PRESIDENT pro tempore. The Senator from Idaho asks unanimous consent that the amendment go over. Is there objection?

Mr. McNARY. Mr. President, I probably have no objection; I think I am quite in accord with the request. I have an amendment relating to the dairy interests which does not treat the same problem as that presented by the Senator from New York. By his amendment he attempts to exclude the dairy industry from the provisions of the bill. The amendment I have offered is presented upon the assumption that the bill may become an act. Therefore I am attempting to deal with the acreage that is diverted from the normal usage in connection with the expansion of the dairy industry. If one amendment goes over, I want all of the items designed to take the dairy industry out of the bill to go over. Is that satisfactory to the Senator from Idaho?

Mr. POPE. That is satisfactory.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Excess-marketing penalty", on page 28, line 4, after "Sec.", to strike out "11" and insert "22"; in line 6, before the word "in", to strike out "any major agricultural commodity" and insert "wheat or corn"; in line 9, after the word "section", to strike out "6 (a)" and insert "14", so as to read:

Sec. 22. (a) It shall be an unfair agricultural practice for any farmer (whether or not a cooperator) to market wheat or corn in excess of his farm marketing quota established for the commodity unless prior to such marketing (1) the Secretary shall have under section 14 released such commodity from marketing quota restrictions.

Mr. McNARY. Mr. President, I am sorry that I have to ask so many questions; that I am not more familiar with the bill. If we have reached the beginning of the penal provisions of the bill as apply to wheat and corn, I do want to say something about a noncooperator. I suppose, however, that under the rule, inasmuch as my remarks would be directed to the text of the bill, I shall have to defer to a later date, and for that reason I shall not discuss it now.

Mr. ELLENDER. Mr. President, I desire to amend this amendment on line 9 by striking out the numeral "14" and inserting the numeral "7." An error was made.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 28, line 10, before the word "the" to insert "in case of corn"; so as to read:

Or (2) in case of corn the farmer shall have absorbed such excess marketing through diverting from the production of such commodity an acreage the aggregate normal yield of which equals or exceeds the amount of such excess marketing.

The amendment was agreed to.

The next amendment of the committee was, in section 22, subdivision (b), page 28, line 19, after the word "following", to strike out "rates: For any major agricultural commodity except tobacco" and to insert the word "rate"; so as to read:

(b) It shall be a violation of law for any farmer to engage in any unfair agricultural practice that affects interstate or foreign commerce, and for each such violation the farmer shall be liable to pay an excess-marketing penalty at the following rate:

Mr. McNARY. Mr. President, does this penalty apply to all the so-called major agricultural commodities, or just to wheat and corn?

Mr. POPE. I think it applies only to wheat and corn in this place. The cotton and tobacco section contains a similar provision.

Mr. ELLENDER. I may state to the Senator from Oregon that there is a penalty on all commodities. The rate of the penalty is not uniform.

Mr. McNARY. What is the rate? They were all uniform in the original bill we studied.

Mr. ELLENDER. In the case of cotton it is 75 percent of the purchase price, as I recall. In the case of tobacco it is 50 percent of the market price—

Mr. McNARY. Or 3 cents per pound, as in the original language?

Mr. ELLENDER. That is correct. Whichever is the higher. In the case of rice the penalty is one-half cent per pound of the excess marketed.

Mr. McNARY. Did the Secretary of Agriculture comment upon this provision?

Mr. ELLENDER. Not to my knowledge.

Mr. McNARY. I ask the Senator from Idaho whether the Secretary of Agriculture commented on this provision.

Mr. POPE. He did not. No suggestion was made by him as to any change.

Mr. AUSTIN. Mr. President, I should like to ask the Senator from Louisiana if he understands that the Secretary of Agriculture is authorized to collect penalties and be the custodian of the money of the United States that is not appropriated in any manner by the Congress to him.

Mr. ELLENDER. I may state to the Senator from Vermont that any penalty imposed is collected in the name of the United States Government through the United States district attorneys, and that all recoveries revert to the Treasury.

Mr. AUSTIN. I will ask the Senator if that is what the bill provides, or whether that is something which he thinks it ought to say. I call attention to the lines at the top of page 29, lines 2, 3, and 4:

Such penalties shall accrue to the United States and shall be payable to and collected by the Secretary.

Mr. ELLENDER. I had particular reference to cotton, rice, and tobacco, and not to corn and wheat.

Mr. AUSTIN. Does the Senator think a different provision was made with reference to corn?

Mr. ELLENDER. I think it was the intention of the authors of the corn and wheat sections to make all penalties revert to the Treasury.

Mr. AUSTIN. Does the Senator believe that the bill expresses any such intention as that?

Mr. ELLENDER. That is my understanding as to all penalties that may be imposed under the bill, whether they are collected in connection with wheat or corn or any of the other commodities named in the bill.

Mr. AUSTIN. Does the Senator from Idaho understand that the bill provides for covering these penalties into the Treasury of the United States?

Mr. POPE. Mr. President, I know that to be the intention. I do not now recall the specific language. I will check the bill and find out; but I am certain that was the intention.

Mr. BARKLEY. Mr. President, under the general law, unless an act specifies to the contrary, where money is recovered in the name of the United States as a penalty, through the district attorneys, under the orders of the Attorney General, as provided in the next subsection, the money automatically goes into the general fund in the Treasury.

Mr. AUSTIN. I always supposed that to be true, and that is why, when this matter was called to my attention, I thought it ought to be considered.

Mr. BARKLEY. I think that is the law. It would not be necessary to provide in this bill for that because, unless it is otherwise provided, the money would go into the general fund in the Treasury.

Mr. AUSTIN. It is provided otherwise here. The bill provides:

Such penalties shall accrue to the United States and shall be payable to and collected by the Secretary.

Mr. BARKLEY. Not to the Secretary, of course, in his personal or official capacity. Even if they were paid over to his Department, they would have to go into the Treasury.

Mr. AUSTIN. I think these words should be amended in some manner so that the provisions will not be inconsistent.

Mr. BARKLEY. Yes. The amendment would not be in order now, anyway.

Mr. ELLENDER. Mr. President, I invite the attention of the Senator from Vermont [Mr. AUSTIN] to the language in lines 10, 11, 12, and 13, on page 29, wherein authority is given to the Attorney General to institute suits in the name of the United States for recovery of the penalty payable with respect to violations.

Mr. AUSTIN. That is true. I have no question about those lines. My question related to lines 2, 3, and 4, which seem to be out of line with the general law.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 28, line 19.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The next amendment of the committee was, on page 28, line 22, before the word "and" to strike out "under section 14 (d))" and insert "by the Secretary under this act"; so as to read:

Fifty percent of the parity price as proclaimed at the beginning of the marketing year by the Secretary under this act and in effect at the time of the violation.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 28, in line 23, after the word "violation", to strike out the semicolon and "for tobacco, 50 percent of the price for which sold, or 3 cents per pound

in case of flue-cured, Maryland, or burley, and 2 cents per pound in case of all other types, whichever is the higher."

Mr. BYRD. Mr. President, does this excess marketing penalty apply to a cooperator as well as to a noncooperator?

Mr. POPE. Yes. That would be my opinion of the matter. Anyone who violates a provision and markets a commodity in excess of the amount established would be subject to the penalty.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. McNARY. I think that question is well answered by the language of the bill found in lines 4 and 5.

Mr. POPE. I think so, too.

Mr. BYRD. Then the Senator confirms the fact that the penalties will apply to a noncooperator as well as to a cooperator. Will the Senator please make clear what is regarded as an unfair agricultural practice? Under the terms of this penalty provision, we give to the district attorney the right to haul into the Federal courts any farmer who is guilty of an unfair agricultural practice. What is an unfair agricultural practice?

Mr. POPE. I think it means marketing in excess of the quota.

Mr. BYRD. What else?

Mr. POPE. That is all, so far as the bill provides.

Mr. BYRD. Does it mean the violation of regulations as promulgated by the Secretary of Agriculture?

Mr. POPE. There is no provision in section 22 to that effect. There may be other provisions following, concerning which the Senator may raise the question at the time we reach them.

Mr. BYRD. Under the terms of the bill, has not the Secretary the right to promulgate numerous regulations which would have the full force and effect of law? And if a farmer violates any of those regulations is he not guilty, and may he not be punished under this section?

Mr. POPE. I think not. There may be a provision which the Senator would desire to call to our attention later on; but I think, from reading the matter now under consideration, there is no such provision. If the Senator finds such a provision later on in the bill, I shall be glad to discuss it with him.

Mr. BYRD. Does the Senator make the statement that the regulations promulgated by the Secretary of Agriculture cannot be enforced?

Mr. POPE. I make no such statement, I will say to the Senator. I am merely discussing what is now before the Senate, namely, section 22, under the title "Excess Marketing Penalty." So far as I read it, there is no provision that a violation of a regulation made by the Secretary of Agriculture would be an unfair marketing practice.

Mr. BYRD. Let us assume that a farmer violates some regulation of the Secretary of Agriculture. In what way can that farmer be punished and compelled to obey the regulation?

Mr. POPE. I do not recall a provision dealing with that matter. There may be one later on in the bill. I do not now recall a provision dealing with the matter. If the Senator finds one later in that connection I shall be glad to discuss it with him.

Mr. BYRD. It is useless to give the Secretary of Agriculture power to establish rules and regulations unless some penalty is provided in the event those rules are not obeyed by any farmer; so I should like to have the Senator point out exactly what the penalty is, and how it is to be enforced.

Mr. POPE. Since this discussion began, my attention has been called to page 30, following the provision under immediate discussion on pages 28 and 29. The Senator will note that in subsection (e) is provided:

(e) Farmers engaged in the production of wheat or corn shall furnish such proof of their acreage, yield, storage, and marketing of the commodity in the form of records, marketing cards, reports storage under seal, or otherwise as may be necessary for the administration of this section and prescribed by regulations of the Secretary.

Then follows the sentence providing that—

Any farmer failing to furnish such proofs in the manner and within the time provided shall be guilty of a misdemeanor and upon conviction thereof be subject to a fine of not more than \$100.

It might be that a violation of the regulations would be involved there; but I have already stated today that when we reach that point the Senator from Kansas [Mr. McGILL] and I will move to strike out the provision as to penalty.

Mr. BYRD. The provision as to penalty for what violation?

Mr. POPE. For the violation specified in the bill.

Mr. BYRD. Does the Senator mean there is going to be no penalty for the violation of any of the provisions of the bill?

Mr. POPE. No penalty for the violation of the specific provision which I have just read.

Mr. BYRD. That is to say, there will be no penalty for failure on the part of the farmer to keep records and furnish those records to the Secretary of Agriculture?

Mr. POPE. There will be no penalty provided if this language is stricken out.

Mr. BYRD. How will the Secretary of Agriculture then enforce his regulations if no penalty is provided?

Mr. POPE. The Senator can answer that question as well as I can. The provisions may be of some value without the penalty provision. But the Senator, I take it, and others, have objected so strenuously to any penalty for that violation that the Senator from Kansas [Mr. McGILL] advised me that he expects to make a motion to strike out that language, which has been so offensive to the Senator from Virginia and to others, which will leave the situation where there will be no penalty for violation of those provisions. That will be the situation.

Mr. BYRD. I want to get clear exactly what the Senator means. Does the Senator mean that there is no penalty for violation of subsection (e) on page 30?

Mr. POPE. I think the Senator is confusing the word "violation" with "penalty." If the farmer should fail to furnish the proof and to do the other things specified, there would be a violation; but if the penalty provision is stricken out, the law would simply stand and be dependent upon the cooperation of the farmers in furnishing the records required according to law.

Mr. BYRD. What I am endeavoring to make clear is this: In the event the farmer did not do what the Secretary of Agriculture told him to do, would not that be an unfair agricultural practice?

Mr. POPE. I should not construe it as being an unfair practice. I think "unfair practice" refers to the provisions contained on pages 28 and 29, and the failure to furnish proof would not be an unfair agricultural practice.

Mr. BYRD. The Senator, then, assumes that the only unfair agricultural practice referred to in the bill is when a farmer sells in excess of his marketing quota?

Mr. POPE. I think so. That is my present understanding of the matter.

Mr. BYRD. Let me ask the Senator again in regard to subsection (c) on page 29, which provides:

(c) Whenever, after investigation, the Secretary has reason to believe that any farmer has engaged in any unfair agricultural practice that affects interstate or foreign commerce and so certifies to the appropriate district attorney of the United States, it shall be the duty of the district attorney, under the direction of the Attorney General, to institute a civil action in the name of the United States for the recovery of the penalty payable with respect to the violation.

What does that subsection refer to?

Mr. POPE. It refers to the 50-percent penalty for selling beyond the marketing quota.

Mr. BYRD. In other words, the only unfair agricultural practice that is established by the bill is when the farmer sells in excess of the marketing quota?

Mr. POPE. Yes. I have so stated, and I think that is correct. That is my understanding.

Mr. McNARY. Mr. President, have I any time on the amendment?

The PRESIDENT pro tempore. An amendment is pending before the Senate on which the Senator has not spoken.

Mr. McNARY. Very well.

Mr. COPELAND. Mr. President, will the Senator yield to permit me to insert something in the RECORD?

Mr. McNARY. I yield.

Mr. COPELAND. I have here a telegram sent to me from the New York State Grange, representing 135,000 members, opposing this bill. I ask to have it printed in the RECORD.

I have also a letter from Jamestown, N. Y., containing the signatures of representative people, two being milk producers, a producer distributor, a grocer, the president of a building and supply concern, a feed and poultry farm owner, the owner of a farm implement agency, and so forth. The signers of this letter are so representative of the opposition to the bill in my State that I ask unanimous consent to have the letter printed in the body of the RECORD in connection with my statement. I also ask to have printed in the RECORD a letter from the Oneida County Pomona Grange.

There being no objection, the telegram and letters were ordered to be printed in the RECORD, as follows:

SKANEATELES, N. Y., December 7, 1937.

Senator ROYAL S. COPELAND,

The Senate:

New York State Grange, 135,000 members, urge recommitment of new farm bill. All compulsory features must be omitted.

H. M. STANLEY, Secretary.

JAMESTOWN, N. Y., December 6, 1937.

Senators WAGNER and COPELAND,

Congress of the United States.

GENTLEMEN: Please present to the Congress of the United States the enclosed request regarding proposed legislation concerning crop control and crop insurance (ever-normal granary). The signers of the petition are all residents of Jamestown and vicinity in Chautauqua County and State of New York. They are either engaged in dairying or are vitally interested in its success. All are property owners and men of responsibility in their own business. In the order of signing are, first, two milk producers; second, a producer-distributor; third, manager of a chain grocery; fourth, president of the largest building supply concern of the city; fifth, a milk producer; sixth, feed dealer and poultry farm owner; seventh, owner of farm implement agency and gasoline station.

We ask for your attention to this request of some of your constituents.

Yours truly,

CLINTON W. PERRY.

JAMESTOWN, N. Y., R. F. D. 5.

We, the undersigned residents of Chautauqua County, State of New York, hereby petition the Congress of the United States that all proposed legislation regarding crop control and crop insurance (ever-normal granary) be dropped, because:

First. These laws would be economically dangerous and unsound.

A. The expense of administering will add to our heavy tax burden.

B. Budget needs balancing, Federal spending excessive for 6 years.

Second. These laws will be contrary to the principles of our democratic government.

A. Are class legislation.

B. Stifle individual initiative under guise of Federal control.

Third. Will arouse jealousy of those classes not receiving benefits.

CLINTON W. PERRY,

Route 5, Jamestown, N. Y.

G. W. CARTER,

Route 5, Jamestown, N. Y.

C. M. JOHNSON,

30 Mason, Falconer, N. Y.

CHAS. LINDBECK,

Rural route, Jamestown, N. Y.

L. D. EATON,

Route 5, Jamestown, N. Y.

H. E. ADAMS,

Route 5, Jamestown, N. Y.

J. W. LINDSTON,

Route 5, Jamestown, N. Y.

We, the members of Oneida County Pomona Grange, feel that the suggested amended farm-relief bill does not meet the needs of the American farmer, and would create a system of regimentation detrimental to the best interests of the Nation as a whole. Therefore we suggest a militant opposition to the passage of said bill be made.

Fraternally submitted.

Brother MILTON HARRIS.

Brother FRANK HELLIG, Jr.

Brother WILLIAM GARLICK.

Mr. McNARY. Mr. President, I ask the attention of the Senator from Kansas [Mr. McGILL] and the Senator from Idaho [Mr. POPE].

On page 28, where the bill discusses unfair agricultural practices, it provides:

It shall be an unfair agricultural practice for any farmer . . . to market wheat or corn in excess of his farm marketing quota.

Again, when I look at the cotton provision, I find that the cotton farmer is treated more tenderly than the producer of wheat and corn. The bill provides:

The willful marketing in interstate or foreign commerce of cotton produced on a farm for which a quota has been established . . . is hereby prohibited.

When I look at the next page, page 38, I notice the language "any person knowingly" purchasing or selling cotton, or "persons who knowingly sell cotton grown on acreage not included," and so forth.

Mr. President, as I recall, in my early days in college, a good many years ago, the word "willfully" implied an intent to do wrong. "Knowingly" meant to do a thing with the knowledge that one was doing wrong. A cotton man must do a thing willfully before he is subject to a penalty. The cotton farmer must knowingly do a wrong thing to be guilty of unfair practice. But again, when it comes to the wheat and corn man—and I think this is my eleventh specification of respects in which they are discriminated against—if the wheat man or a corn man does a thing prohibited by the bill, whether he does it willfully or knowingly or not, he is guilty of an unfair practice. Does that not make an appeal to the Senator from Idaho [Mr. POPE] that the corn and wheat man ought to have in the provision relating to corn and wheat the language?—

It shall be an unfair agricultural practice for any farmer willfully to market wheat or corn in excess of a farm marketing quota.

Mr. POPE. I agree with the Senator thoroughly, and if he is offering that amendment I accept it immediately.

Mr. McNARY. I am very happy that this time I was able to convince the Senator of some of the foibles and mistakes in the bill.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I yield.

Mr. BARKLEY. I do not wish to object to the offering of that amendment, but under the rule it is not now in order. It may be in order at the proper time.

Mr. McNARY. Very well. If it is not in order, I do not want to infringe upon the rule. I withdraw the amendment, but I give notice that at the proper time I shall once more try to see that the wheat and corn man is put on a fair footing with the cotton man.

The PRESIDING OFFICER. The question is on the pending committee amendment.

Mr. AUSTIN. Mr. President, will the Senator from Idaho [Mr. POPE] submit to another question about this matter? I ask the Senator if he will not accept, when the time is appropriate to do it, the addition of one word in line 16—that is, the word "such", after the word "any", so that it would read:

It shall be a violation of law for any farmer knowingly to engage in any such unfair agricultural practice.

Mr. POPE. The Senator proposes to insert the word "knowingly"?

Mr. AUSTIN. That was the offer of the Senator from Oregon. I am offering just the word "such", so that in this paragraph we shall not have the creation of a new offense. Will the Senator accept that amendment?

Mr. POPE. Certainly; I think that is a very appropriate amendment.

Mr. BARKLEY. Mr. President, let me again suggest that these are amendments to the text of the bill.

Mr. AUSTIN. I know it.

Mr. BARKLEY. We are operating under an agreement to consider committee amendments first. It seems to me we ought to finish those amendments before we discuss

amendments to the text. We are making practically no progress here, even on committee amendments; and it seems to me we ought to wait to amend the text until we get to that point.

Mr. AUSTIN. I accept the suggestion of the Senator from Kentucky.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 29, line 10, after the word "the", to strike out "Attorney" and insert "Attorney", so as to read:

(c) Whenever, after investigation, the Secretary has reason to believe that any farmer has engaged in any unfair agricultural practice that affects interstate or foreign commerce and so certifies to the appropriate district attorney of the United States, it shall be the duty of the district attorney, under the direction of the Attorney General, to institute a civil action in the name of the United States for the recovery of the penalty payable with respect to the violation.

The amendment was agreed to.

The next amendment was, on page 29, line 15, before the word "from", to strike out "major agricultural commodities" and insert "wheat or corn", so as to read:

(d) Any person engaged in the business of purchasing wheat or corn from farmers or of processing such commodities for farmers shall from time to time, on request of the Secretary, report to the Secretary such data and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this section. Such data shall be reported and such records shall be kept in accordance with forms which the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining data required to be furnished in any report but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memoranda as are relevant and are within the control of the person. Any person failing to make any report or keep any records as required by this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof be subject to a fine of not more than \$1,000.

The amendment was agreed to.

Mr. BYRD. Mr. President, I should like to ask the Senator from Idaho [Mr. POPE] a question. He has stated that the definition of an unfair agricultural practice confines it to the sale by a farmer of wheat or corn in excess of the farm marketing quota. If the Senator will refer to line 15, on page 28, he will see that it reads:

It shall be a violation of law for any farmer to engage in any unfair agricultural practice—

And so forth. If there is only one unfair agricultural practice, it seems to me it could be clearly defined, instead of saying "any," referring specifically to this one unfair practice.

Mr. POPE. Mr. President, whenever it is appropriate, if the Senator will offer an amendment to that effect, I shall be very glad to accept it.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 30, line 21, after the word "Department", to strike out "of Agriculture", so as to read:

(f) All data reported to or acquired by the Secretary pursuant to subsections (d) and (e) shall be kept confidential by all officers and employees of the Department and only such data so reported or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing involving the administration of this act.

The amendment was agreed to.

The next amendment was, at the top of page 31, to insert:

TITLE III—MARKETING QUOTAS FOR COTTON

SEC. 30. The Congress herewith finds as follows:

(a) The marketing of cotton constitutes one of the great basic industries of the United States with ramifying activities which directly affect interstate or foreign commerce at every point, and stable conditions therein are necessary to the general welfare. Cotton produced for market is sold on a Nation-wide market and practically all of it and its products move almost wholly in interstate or foreign commerce from the producer to the ultimate consumer. The manufactured products of cotton are used for necessary clothing by nearly every person in the United States. The

farmers producing such commodity are subject in their operations to uncontrollable natural causes, are widely scattered throughout the Nation, and are not so situated as to be able to organize effectively, as can labor and industry, for joint economic action; and in many cases such farmers carry on their farming operations on borrowed money or leased lands. For these reasons, among others, the farmers are unable without Federal intervention to control effectively the orderly marketing of such commodity with the result that abnormally excessive supplies thereof are produced and dumped indiscriminately on the Nation-wide and foreign markets.

(b) The disorderly marketing of excessive supplies affects, burdens, and obstructs interstate or foreign commerce by (1) materially affecting the volume of such commodity marketed therein, (2) disrupting the orderly marketing of such commodity therein, (3) reducing the prices for such commodity with consequent injury and destruction of such commerce in such commodity, (4) depleting the soil resources of the United States, and (5) causing a disparity between the prices for such commodity in such commerce and industrial products therein, with a consequent diminution of the volume of interstate or foreign commerce in industrial products.

(c) Whenever an excessive supply of cotton exists, the marketing of such commodity by the producers thereof directly and substantially affects interstate or foreign commerce in such commodity and its products, and the operation of the provisions of this title becomes necessary and appropriate in order to promote, foster, and maintain an orderly flow of supply in such commerce.

(d) It is hereby declared to be the policy and the purpose of the United States to encourage the annual production of an ample supply of cotton of suitable grade and staple to supply all domestic and foreign consumption of such cotton and in addition thereto to maintain at all times a large enough surplus to meet all offers from all sources to buy American cotton at fair and reasonable prices, and never in excess of the world-market price for cotton of similar quality.

Mr. McADOO obtained the floor.

Mr. BARKLEY. Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. The inquiry is whether all of the language in italics from the top of page 31 down to and including the language on page 58, which is all new language and is not an amendment to any language in the text of the bill, is to be considered as one amendment, or otherwise.

The PRESIDING OFFICER. The present occupant of the chair is of the opinion that the orderly procedure would be for the Senate to consider these amendments section by section; but, of course, that is a matter for the determination of the Senate.

Mr. BARKLEY. I appreciate that; but, as a matter of fact, from the parliamentary standpoint, the situation probably would be that the whole provision is one amendment to the bill. To consider it in that way would not interfere with the right of any Senator to offer an amendment to any part of it; but it struck me that if the new matter is to be considered in that way it ought all to be read, and then, later, amendments could be offered to any part of it.

Mr. HAYDEN. Mr. President, it seems to me the better parliamentary procedure would be to follow the suggestion made by the Chair to read the new language paragraph by paragraph as though it were an original measure, and then, when one paragraph is disposed of, to proceed to the next paragraph. That is the only logical way in which amendments could be offered to the text.

The PRESIDING OFFICER. Does the Senator propose that in the form of a unanimous-consent agreement?

Mr. HAYDEN. I ask unanimous consent that the title be read paragraph by paragraph.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I am in accord with that request, but the parliamentary practice which has always obtained here is that in considering an amendment of this nature we take up the subdivisions as though they were sections complete in themselves and consider them apart from the text which is covered by the unanimous-consent agreement. I think that is the practice to which the Senate has adhered.

Mr. BARKLEY. I have no objection to that procedure. I should like to inquire of the Senator from Arizona and of other Senators, too, whether there would be any objection to reading this new language by titles. There are some three or four titles of the new language, and if we could consider it by titles it might facilitate consideration, although amend-

ments would be in order to any section of the title under consideration.

Mr. HAYDEN. I think that would be all right.

Mr. McADOO. Mr. President—

The PRESIDING OFFICER. The Senator from California may be assured that the time occupied by this discussion will not be taken out of his time.

Mr. BARKLEY. Mr. President, will the Senator from Arizona permit me to propose an amendment to his unanimous-consent request? I ask unanimous consent that the language from page 31 to page 58, inclusive, be read by titles and considered by titles, amendments being in order to any section of each title.

The PRESIDING OFFICER. Is there objection?

Mr. HAYDEN. That would mean, as I understand, that in effect each paragraph would be a separate amendment.

Mr. BARKLEY. Each one of these titles deals with a different crop—one with cotton, one with tobacco, one with rice—and amendments will be in order to any section of any of the paragraphs on the several subjects.

Mr. HAYDEN. We are now dealing with title III, marketing quotas for cotton.

Mr. BARKLEY. Yes.

Mr. HAYDEN. It would then be in order, as the paragraph is read, to offer amendments to the paragraph?

Mr. BARKLEY. My request was that the title be read, and that amendments be in order to any paragraph of it.

Mr. HAYDEN. What disturbs me at the moment is this: There are certain paragraphs in the title that will have to be considered in connection with provisions that are at the end of the bill which define the terms used in the title. If it would be possible to pass over paragraphs so that the two matters might be brought together at the same time, we would not be foreclosed from offering amendments.

Mr. BARKLEY. There will be no difficulty about that. What I am trying to do is to facilitate the reading of the new language without prejudicing any Senator as to offering amendments to any part of the title.

Mr. HAYDEN. I think the Chair made the wisest suggestion of all—that we read the new language as though it were a new bill, paragraph by paragraph, and that amendments be in order to any paragraph.

Mr. BARKLEY. I withdraw my request to amend the request for unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona [Mr. HAYDEN] that the titles appearing in italics, beginning on page 31, be read and acted upon paragraph by paragraph? The Chair hears no objection, and it is so ordered.

The Senator from California [Mr. McADOO] is recognized.

Mr. McADOO. Mr. President, I have offered an amendment which proposes, on page 32, line 23, to strike out all after the word "prices" down to and including the word "quality" in line 25. The portion proposed to be stricken out reads as follows:

And never in excess of the world market price for cotton of similar quality.

Subsection (d) provides—I shall have to read it all in order to make the matter clear—

Mr. McNARY. Mr. President, a parliamentary inquiry.

Mr. BILBO. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Mississippi will state his point of order.

Mr. BILBO. It is not exactly a point of order, but a parliamentary question. My understanding was that the committee amendments had first to be adopted, before any amendments were to be offered.

Mr. McADOO. This is an amendment to a committee amendment.

The PRESIDING OFFICER. The Chair will state that it has just been agreed that, beginning with title III, the following pages shall be taken up and read and acted upon, paragraph by paragraph.

Mr. BILBO. And they are subject to amendment?

The PRESIDING OFFICER. They will, of course, be subject to amendment.

If the Senator from California will permit the Chair to make a statement, the Chair believes that under the unanimous-consent agreement it will be necessary to act upon paragraphs (a), (b), and (c) before the amendment of the Senator from California would be in order.

Mr. McNARY. That was the parliamentary inquiry I was about to propound.

The PRESIDING OFFICER. Without objection, paragraph (a) will be considered as having been agreed to.

Without objection, paragraph (b) will be considered as having been agreed to.

Without objection, paragraph (c) will be considered as having been agreed to.

The Senator from California is recognized.

Mr. McADOO. Mr. President, paragraph (d) reads as follows:

(d) It is hereby declared to be the policy and the purpose of the United States to encourage the annual production of an ample supply of cotton of suitable grade and staple to supply all domestic and foreign consumption of such cotton and in addition thereto to maintain at all times a large enough surplus to meet all offers from all sources to buy American cotton at fair and reasonable prices, and never in excess of the world-market price for cotton of similar quality.

My amendment proposes to strike out the last part of the paragraph, reading as follows:

And never in excess of the world-market price for cotton of similar quality.

I think it is entirely superfluous to make such a declaration. I can see no necessity for it; and I think, upon reflection, it will be clear to anyone that it would be useless for the Congress of the United States to commit itself to any such declaration. I spoke to the Senator from Alabama [Mr. BANKHEAD] about the amendment, and I hope he will accept it.

Mr. BANKHEAD. Mr. President, I have no objection to accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment, on line 23, page 32.

The amendment to the amendment was agreed to.

Mr. CONNALLY. Mr. President, I desire to ask the Senator from Alabama [Mr. BANKHEAD] a question. It seems to me that the declaration here is a little inconsistent.

The committee amendment reads:

It is hereby declared to be the policy and the purpose of the United States to encourage the annual production of an ample supply of cotton of suitable grade and staple to supply all domestic and foreign consumption of such cotton—

We are not trying to do that. If we were, we would not restrict the production of cotton at all, because we do not produce enough for the world.

Mr. BANKHEAD. That means, of course, that we are prepared to supply the demand for all of our cotton that anybody wants to buy. We have always had all the cotton anybody in the world wanted to buy, and it is the policy of the United States to continue that course—to have plenty of cotton, so that those who have the money can buy it. In other words, it is not our intention to restrict the supply. If foreign countries want more cotton, they can get it. We propose to have plenty of cotton for them at all times.

Mr. CONNALLY. For "all domestic and foreign consumption"?

Mr. BANKHEAD. Of American cotton; yes.

Mr. CONNALLY. Of course.

Mr. BANKHEAD. "Of such cotton."

Mr. CONNALLY. The amendment is not drafted in that way.

Mr. BANKHEAD. That is the meaning of it.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be considered as agreed to.

Mr. BANKHEAD. Mr. President, I have a committee amendment perfecting paragraph 31 (a).

The PRESIDING OFFICER. That point has not yet been reached.

Mr. BANKHEAD. Very well.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. At the top of page 33 it is proposed to insert the following:

Thirty-five percent of a normal year's domestic consumption and exports is a reasonable carry-over at the end of each marketing year. That amount of cotton carried over, based upon many years of experience, is held to be an adequate ever-normal warehouse supply for the protection of interstate commerce and of consumers of American cotton, domestic and foreign, against drought, excessive rainfall, insects, war, or other national emergency.

The amendment was agreed to.

The next amendment was, on page 33, after line 8, to insert:

SEC. 31. (a) Prior to the 15th day of November of each year the Secretary shall find the probable carry-over of cotton as of the beginning of the approaching marketing year and shall also find the probable domestic consumption of American cotton, and also the probable exports of American cotton during such marketing year.

Mr. BANKHEAD. I now offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 33, after line 14, it is proposed to insert the following proviso:

Provided, That for the crop year 1937-38 the Secretary shall make all of the findings, determinations, and proclamations provided for in this section within 10 days after the approval of this act.

Mr. BANKHEAD. Mr. President, this is a committee amendment offered because, while the section provides for a referendum for the crop year 1937-38, it fails to require the Secretary to do these various other things.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the Committee on Agriculture and Forestry was, on page 33, after line 14, to insert:

The Secretary shall also determine and specify the national marketing quota of cotton that may be marketed in interstate or foreign commerce during the succeeding marketing year.

The amendment was agreed to.

The next amendment was, on page 33, after line 18, to insert the following:

The Secretary shall, immediately after making the aforesaid findings, proclaim that beginning on the first of the marketing year next following and continuing throughout such year, a national marketing quota shall be in effect for the crop harvested during such marketing year: *Provided, however,* That within 30 days after the approval of this act and thereafter not later than December 15 of 1938 and of each subsequent year the Secretary shall conduct a referendum of the farmers who would be subject to the national marketing quota for cotton to determine whether such farmers are in favor of or opposed to such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, within 15 days after the first referendum under this section and prior to the 1st day of the following January in case of any subsequent referendums, announce the result of the referendum and such quota shall not become effective.

Mr. McNARY. Mr. President, did not the House vote upon the quota as applied to cotton?

The PRESIDING OFFICER. Is the Senator addressing the question to the Chair?

Mr. McNARY. I thought the Chair might be advised. If not, I address the question to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I could not inform the Senator. I do not think it makes any difference. It does not bind us. I have not had time to keep up with what the House has been doing.

Mr. BARKLEY. Mr. President, the House did vote, by viva voce vote in Committee of the Whole and by a very narrow margin, to change the provisions of the text of the House bill, but that matter cannot be determined, so far as the House itself is concerned, until the bill goes back to the House and they have a vote, at which time the proponents

of the measure hope to reverse the action taken in Committee of the Whole.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee to insert a new paragraph on page 33, after line 18.

The amendment was agreed to.

The next amendment of the Committee on Agriculture and Forestry was, on page 34, after line 10, to insert a new paragraph, as follows:

The Secretary shall determine and specify in such proclamation the amount of the national marketing quota for cotton in terms of the quantity (the number of standard bales of 500 pounds weight) which may be marketed during such marketing year: *Provided, however*, That such number of bales shall not be less than 70 percent of the average annual number of bales produced during the 10-year period ended December 1932.

The amendment was agreed to.

Mr. BILBO. Before paragraphs (b) and (c) are read, I ask that they go over until tomorrow, because I have in course of preparation an amendment to be offered to those two subsections.

Mr. McKELLAR. Mr. President, I hope that will be done.

Mr. BANKHEAD. I have no objection.

Mr. HAYDEN. Mr. President, I desire to join in that request as respects subsection (b). I have an amendment I desire to offer to that subsection.

The PRESIDING OFFICER. Is there objection to subsections (b) and (c) being passed over? The Chair hears none, and it is so ordered. The clerk will report the next amendment.

The next amendment of the Committee on Agriculture and Forestry was, on page 35, after line 11, to insert the following:

(d) Apportionment of the quota for any county or subdivision thereof shall be made by distributing among the farms therein that acreage which, on the basis of the average yield of cotton in such county or subdivision thereof, would produce the amount of the county quota. Such acreage shall be apportioned among the farms producing cotton in the county, or subdivision thereof, as follows:

(1) By allocating 5 acres to each such farm for each family engaged thereon as owner, share tenant, tenant renter, or sharecropper in the production of cotton on such farm: *Provided, however*, That the number of acres allotted for any family cultivating less than 5 acres during either of the two preceding seasons shall be the larger of the number of acres that was cultivated in either of such seasons, such production to be determined in accordance with regulations issued by the Secretary.

(2) At least 95 percent of any acreage remaining shall be apportioned to the farms in the county in the same proportion that the lands tilled on each farm in the preceding year bears to the total tilled lands in the county in such year.

(3) The remainder of such acreage may be distributed equitably among the farms in the county, taking into consideration good soil management, type of soil, topography, production facilities, the average acreage of cotton grown on the farm during the preceding 3 years (taking into account in the applicable years the acreage diverted from such production because of agricultural adjustment and conservation programs), and the acreage of food and feed crops needed for home consumption on the farm. In distributing the acreage allotment under this subsection (3) due allowance under instructions issued by the Secretary shall be made for sources of cash farm income other than that derived from cotton.

Mr. BILBO. Mr. President, I desire to amend the paragraph on page 35, line 19, by striking out the word "five" and inserting in lieu thereof "seven and one-half."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 35, in the committee amendment, in line 19, after the word "allocating", it is proposed to strike out "five" and insert "seven and one-half", so the phrase would read:

By allocating $7\frac{1}{2}$ acres to each such farm for each family engaged thereon, as owner, share tenant, tenant renter, or sharecropper in the production of cotton on such farm.

The amendment to the amendment was agreed to.

Mr. BILBO. I now move to amend further, on page 35, by striking out lines 22, 23, 24, and 25, and lines 1 and 2 on page 36. That would be to strike out the proviso of that subsection.

The PRESIDING OFFICER. The amendment of the Senator from Mississippi to the committee amendment will be stated.

The CHIEF CLERK. On page 35, after line 21, it is proposed to strike out the proviso, as follows:

Provided, however, That the number of acres allotted for any family cultivating less than 5 acres during either of the two preceding seasons shall be the larger of the number of acres that was cultivated in either of such seasons, such production to be determined in accordance with regulations issued by the Secretary.

Mr. BANKHEAD. Mr. President, I am opposed to the amendment of the Senator from Mississippi. I had assumed the Senator from Mississippi had agreed to the text of the bill. At any rate, if he did not, that is all right.

We have a very large number of cotton growers, probably several hundred thousand, who grow less than two bales of cotton a year, some a bale and a half, some a bale, some only half a bale, because they are not dependent upon cotton production for their living. In other words, many dairy people have a small cotton patch, and so with fruit growers and hay growers. The result is there are several hundred thousand who produce, according to the figures of the Department, less than two bales of cotton each.

It has been my thought that under the theory of cotton reduction there is no occasion deliberately to invite people who have not been producing cotton to do so, or add to or increase their production. It would have to come out of the production of the established farmers under a period of enforced rigid restriction in production. I do not think we ought to increase production or encourage people to increase it who have not been doing so when they could do it voluntarily. It would amount to a very large acreage and number of bales of cotton.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BANKHEAD. Certainly.

Mr. BYRNES. I thought that the language meant that in the case of a family cultivating less than 5 acres, say, 3 or 4 acres, during either of two preceding seasons—3 acres one season and 4 acres the next season—the allotment of that farmer should be 4 instead of 3.

Mr. BANKHEAD. It does.

Mr. BYRNES. That really would be a benefit to the farmer.

Mr. BANKHEAD. The Senator from Mississippi wants to strike out that provision.

Mr. BYRNES. I got the impression the Senator said it would injure those farmers.

Mr. BANKHEAD. It puts them all on a $7\frac{1}{2}$ -acre basis, as I construe it, and I think that is what the Senator has in mind.

Mr. BILBO. That is correct.

Mr. BANKHEAD. This is intended not to reduce any farmer who has cultivated less than 5 acres.

Mr. BYRNES. It is to give him the privilege of cultivating the highest number of acres that he has theretofore cultivated.

Mr. BANKHEAD. That is the idea.

Mr. OVERTON. Mr. President, I think the amendments if adopted would destroy the historical background in the production of cotton.

Mr. BANKHEAD. Absolutely.

Mr. OVERTON. So far as the $7\frac{1}{2}$ acres are concerned.

Mr. BANKHEAD. Absolutely.

Mr. OVERTON. Any farmer or sharecropper or share tenant, whether he has ever produced cotton or not, will be entitled to produce cotton on $7\frac{1}{2}$ acres.

Mr. BANKHEAD. That is correct. It is an increase program rather than holding the line.

Mr. BILBO. Mr. President, I appreciate the truth of the statement made by the Senator from Alabama that there are in the Cotton Belt a few farmers who plant a small acreage in cotton, 2 or 3 or 4 or 5 acres, when they are not dependent on cotton as their sole money crop. My purpose in moving to eliminate this provision from the bill and to give each family the right to put $7\frac{1}{2}$ acres in cultivation if they so desire, is to take care of that great army of

small farmers in the hill sections of the Cotton Belt who have been denied the right to plant as much as 5 or 7½ acres under the previous control programs. I know from personal knowledge that when the Government enforced the average base acreage provision of the law, resorting to the history of the cultivation of cotton in my own State, there were a great many farmers who were planting 4 or 5 acres from year to year, depending somewhat on other crops on their farms for cash. Yet, when the strict rules of the control program of the past were applied, these farmers who were planting 4 or 5 or 6 acres were cut down to 1, 2, 3, and 4 acres, and they have been living up to the Government's regulations. So, if this provision remains in the bill, these farmers, who have been cut to the quick as a result of the rigid rules of control programs in the past, will still be denied the opportunity to plant 7½ acres allotted as an exemption to all the cotton farmers of the Cotton Belt.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. OVERTON. As I interpret the proviso, the historical background refers to only the two preceding seasons.

Mr. BILBO. Yes.

Mr. OVERTON. Was there any control program during the two preceding seasons referred to in the proviso?

Mr. BILBO. Yes. Under the soil-conservation program the farmers were held to the old base acreage, which had been established under the Bankhead Act, and in their attempt to keep faith with the Government and keep up with the program, a great many of the farmers stood by the old acreage basis which had been established for them under the old cotton-control program, and they are in just as bad shape now, notwithstanding the fact that they had a right to override the soil-conservation program and become outlaws, so far as the Government program was concerned. They preferred to stay with the Government in the attempt to control the production, but are still denied that acreage which they had been planting previous to the original control program.

If this provision remains in the bill, these farmers who have been discriminated against under the old program will still be discriminated against and denied their seven and a half acres. I take it that the statement of the Senator from Alabama is true that there are, we will say, thousands of farmers who do not care to plant seven and a half acres, and who have been planting only 2 or 3 or 4 or 5 acres to make one bale for a little cash money, depending upon dairying or other cash crops. There is nothing in the provision to induce them to plant the full seven and a half acres which is allowed for each family. Therefore I do not think there will be any increase in production if this provision is taken out, because the people who did not want to plant more than 2 or 3 or 4 or 5 acres will still be free to plant the full number of acres.

Mr. BANKHEAD. Mr. President, I think the Senator in that statement entirely overlooks the fact that if the cotton is allotted, that amount is taken out of the quotas of other farmers. Let me read the figures as to the cotton farmers. The number of farmers who produced up to one-half a bale was 37,235. Those producing from one-half to one bale amounted to 143,738. Those producing from one bale to one and a half bales numbered 268,587. This is cumulative, the last figures including the ones ahead of them. Those producing from one and a half to two bales numbered 403,257. Those producing from two and a half to three bales numbered 676,028. Those producing from three to three and a half bales, which reaches up into the 7-acre bracket, numbered 809,862. So, the Senator may readily see that where farmers in this large number voluntarily, of their own accord, have been producing much less cotton, it is an invitation to the other growers to take this quantity.

Mr. BILBO. Mr. President, I appreciate the statement the Senator from Alabama makes—that we will make an allocation of acreage or bales to these small producers, that they will not avail themselves of the opportunity to produce the cotton, and that we will freeze a certain number of bales

under the national allotment to these farmers, and that others will not be permitted to grow cotton.

I assure the Senator that when we provide for a cut in the production of cotton for next year the allotment will be taken care of all right, because that means that the farmers whose acreage has been reduced will improve their cultivation and increase the amount of their fertilizer, and they will get more than the national allotment in the final outcome.

Mr. CONNALLY. Mr. President, the Senator said there would be no inducement for these farmers to plant the entire 7½ acres. If this bill works, there will be because the theory is that the price will be raised, and whenever the price is raised every inducement is present to make a man plant all he can.

Mr. BILBO. There is nothing in that contention because the ones the Senator from Alabama is trying to take care of—

Mr. BANKHEAD. I am not trying to take care of anybody. I am trying to prevent an injustice to the old-line cotton grower.

Mr. BILBO. The ones the Senator is attempting to eliminate have never attempted to plant more than 2 or 3 or 4 acres, no matter what the price of cotton was.

I want to know whether the Senator has any suggestion to make about taking care of this great army of planters who have been discriminated against, and who have not heretofore been permitted to plant the acreage they formerly planted.

Mr. BANKHEAD. There was but one year when the acreage was restricted. The act of 1934 was not passed until the crop had been planted. In 1936 and 1937, as suggested by the Senator from Louisiana, there was absolutely no restriction of any sort on any cotton grower as to how many acres he could plant or how many bales he could grow. It was all voluntary.

Mr. BILBO. I make the prophecy that if this provision remains in the bill there will be tens of thousands of small farmers who will be discriminated against and denied the 7½ acres we are attempting to give to every one-horse farmer of the Nation.

Mr. MILLER. Mr. President, I think we must all admit that the so-called little farmer has been discriminated against in the cotton program, and I believe that in the pending measure we have our only chance to correct a grievous wrong which has heretofore been committed against him. I do not wish to wreck the cotton program, but there is a human element in this agricultural question which cannot be overlooked.

Whether we admit it or not, for many years there were going over this country extension agents and others preaching diversification. Diversification has been engaged in by a certain class of farmers, but not by the cotton farmers, not the mechanized farmers, not the men who plant their fence corners in cotton every year; and they are the men who are creating the surplus of cotton in this country today.

The hill man, of whom the Senator from Mississippi speaks, like the other little farmer, has engaged in diversification over a period of many years. He does not have sufficient base acreage. The diversification program was adopted by him, not because he wanted to adopt it, but because of necessity. It was necessary for him to raise on his farm the food products necessary to support his family, and naturally his cotton production was reduced to the minimum. The cotton he produced was merely a small amount to be used in paying taxes and other necessary expenses he had to meet in the fall of the year.

When the restriction program was inaugurated, he was the man who was injured, and that man on the small hill farm, with his family, took his percentage of cut just the same as anyone else did, just the same as the large farmer did. The amendment proposed by the Senator from Mississippi will in large measure render justice to that man, and it will not increase the production of cotton one pound, if the bill means anything.

Turning to page 36, subsection 2, we find that after the 7½ acres are allotted 95 percent of the remaining acreage

is to be apportioned among the other farms. I admit that it will reduce the number of acres, and it will reduce the quota of the large producer, because the small man will have his part of the national marketing quota applied to his 7½ acres; but it merely gives him no more than what his family must have.

When we talk about reducing a family in the Cotton Belt to below 7½ acres, we forget entirely the human element that must enter into this question, and therein lies the injustice of our entire farm program.

I for one would like to see the amendment of the Senator from Mississippi adopted.

Mr. ELLENDER. Mr. President, I believe that the purpose of the proviso in this section is misunderstood by some of the Members of the Senate. The reason for the proviso is to limit the cotton acreage of those farmers who till less than 5 acres. It is not intended to affect a farmer who cultivates 25 or 30 acres of tilled land. It matters not how much cotton the farmer with more than 5 acres planted to cotton last year or the year before; under the bill, whether he planted 5 acres or 6 acres or 2½ acres, he gets the minimum fixed in the bill. A town lot farmer or one who tills less than 5 acres should not expect to plant more than he planted to cotton in either of the past 2 years.

In order to clarify this proviso, I suggest the following amendment: On line 23, after the word "acres", insert "of tilled land", so that the proviso will read as follows—

Beginning on page 35, line 22:

Provided, however, That the number of acres allotted for any family cultivating less than 5 acres of tilled land during either of the two preceding seasons shall be the larger of the number of acres that was cultivated in either of such seasons.

Thus it will be noted that only such farmers who have but 5 acres of tilled land will be affected under this provision. As to all other farmers who have in excess of 5 acres, the general provisions of the bill will apply to them.

I believe that the modification of the amendment as I have just suggested will meet the objections complained of by the junior Senator from Mississippi [Mr. BILBO] and the junior Senator from Arkansas [Mr. MILLER].

Mr. BANKHEAD. I wish to inquire if consideration has been given to the idea that under the program 2,300,000 cotton producers are eligible, with a 7-acre exemption, which makes around 16,000,000 acres. Under present conditions it is thought that probably 25,000,000 acres, or certainly not much more than that, will be the total acreage included in the plan. So if 7 acres are permitted to every sharecropper, every tenant and every farmer, regardless of what he has ever produced in the past—regardless of whether he has produced half a bale, or a bale, or two bales—if this amendment shall be adopted we shall automatically allocate 16,000,000 acres out of 23,000,000 acres that have heretofore been given the opportunity voluntarily to produce only a very small proportion of the total production of cotton.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BILBO. I am sure the Senator and I wish to accomplish the same thing. We desire to do justice to all of these farmers. My reason for offering the amendment is to take care of the small farmer who has been discriminated against under the former control program.

Mr. BANKHEAD. Mr. President, a great many of these men are not small farmers. Many of them are large farmers who produce voluntarily a small quantity of cotton.

Mr. BILBO. The Senator wants to encourage the farmer who heretofore was satisfied to plant 2 or 3 or 4 or 5 acres. Then will the Senator agree that instead of putting in this proviso the words "During either of the two preceding seasons" we put in "five preceding seasons"? That will carry us back to the time when there was not any control program, and in that way the Senator can eliminate the class he desires to eliminate.

Mr. BANKHEAD. I have no objection, if the Senator is not trying to take the acreage away.

Mr. BILBO. Very well. If we put it back 5 years, we will take care of the class that the Senator's proviso will eliminate. At the same time we will save the fellow who is discriminated against under the control program.

Mr. BANKHEAD. I will accept that.

Mr. BILBO. I am satisfied to leave it at 5 years.

Mr. BYRNES. Mr. President, is any amendment pending?

Mr. BANKHEAD. My understanding of the agreement reached by myself and the Senator from Mississippi is—

The PRESIDING OFFICER. The Chair understands that the Senator from Mississippi withdraws his amendment.

Mr. BILBO. No.

Mr. BANKHEAD. He moves to strike out "two" and insert "five" in line 23.

Mr. BILBO. Of course, it is understood that we shall have to change "five" in the proviso to "seven and one-half" to correspond with "seven and one-half" in the first part of the section.

Mr. BANKHEAD. The Senator raises it up a little.

Mr. BILBO. No; if you allow 7½ acres for the individual unit, then the same figure should appear in the proviso. It should read:

That the number of acres allotted for any family cultivating less than 7½ acres—

If seven and a half acres are provided for the individual unit, then we must make this seven and a half.

Mr. BANKHEAD. What does the Senator from Louisiana say about that?

Mr. ELLENDER. That amounts to the same thing. If the number in line 19 should be changed to 7½, it would be proper to change the 5 to 7½ in line 23.

The PRESIDING OFFICER. The Chair suggests that some Senator offer an amendment in order that we may proceed.

Mr. BILBO. I offer an amendment to strike out the word "five" in line 23 and insert "seven and one-half."

Mr. BANKHEAD. I understand that that amendment is simply substituting "seven and one-half" for "five" in line 23.

Mr. BILBO. Yes.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 35, line 23, after the word "than", it is proposed to strike out "five" and insert "seven and one-half".

The amendment to the amendment was agreed to.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. Should not the amendment be voted on as a whole? I understand it is the purpose of the Senator from Mississippi to modify his amendment by not only substituting "seven and one-half" for "five", but also by substituting the word "any" for the word "either", in the same line.

Mr. HAYDEN. The Senator changed the word "two" to "five", in line 23.

Mr. OVERTON. The Senator changed "two" to "five." I think it all constitutes one amendment, and ought to be voted on as a whole. I understand, Mr. President, that the proviso will then read as follows—

The PRESIDING OFFICER. The Chair will state that the amendments will have to be offered to the text. The Senator could not modify his amendment in such a manner as suggested. The Senator has offered one amendment, which has been agreed to.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Will the Senator from Mississippi withdraw the original amendment which he offered to strike out the whole proviso? It should be done in order that these matters may be taken up.

Mr. BILBO. I will do that.

The PRESIDING OFFICER. The Senator has withdrawn that amendment and offered one amendment which has already been agreed to, in line 19 and in line 23, to strike out "five" and insert "seven and one-half."

Mr. BILBO. With the permission of the Senate I shall read the amendment I want to offer, beginning on line 22:

Provided, however, That the number of acres allotted for any family cultivating less than seven and a half acres of tilled land during either of the five preceding seasons shall be the larger number of acres that was cultivated in either of such season, such production shall be his allotment.

That is the substance of it.

Mr. ELLENDER. Mr. President, I understand that the Senator from Mississippi has accepted the suggestion I made a minute ago; that is, that on line 23, between the words "acres" and "during", the words "of tilled land" to be added.

The PRESIDING OFFICER. No such amendment has yet been proposed.

Mr. ELLENDER. I offer that amendment.

The PRESIDING OFFICER. The question is on the amendment to the committee amendment offered by the Senator from Louisiana, which the clerk will state for the information of the Senate.

The CHIEF CLERK. On page 35, line 23, after the word "acres", it is proposed to insert "of tilled land."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the Senator from Mississippi will be stated.

The CHIEF CLERK. On page 35, line 23, it is proposed to strike out "two" and insert "five."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BARKLEY. Mr. President, I suggest that the word "either", in line 23, should be changed to "any." That has been suggested, but no one has offered it as an amendment. I offer it as an amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Kentucky to the committee amendment will be agreed to.

Mr. OVERTON. Mr. President, I think the committee amendment should be further perfected. With that purpose in view I suggest to the Senator from Mississippi that he offer this amendment. If he does not do so, I shall. On page 35, line 25, strike out the words "either of" and insert "any."

Mr. BILBO. I shall offer it, because that is just perfecting the committee amendment.

Mr. McKELLAR. The language will not then be right, because the word in the bill is "season."

The PRESIDING OFFICER. Does any Senator offer the suggested amendment?

Mr. OVERTON. I offer it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Louisiana [Mr. OVERTON] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. McKELLAR. The word "season" should be "seasons." I offer an amendment in line 25 to strike out the word "season" and insert the word "seasons."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee to the committee amendment.

The amendment to the amendment was agreed to.

Mr. McNARY. Mr. President, let the clerk read the committee amendment as it has been amended so far.

The PRESIDING OFFICER. The clerk will read the committee amendment on page 35, subsection (1), as it has been amended.

The Chief Clerk read as follows:

(1) By allocating $7\frac{1}{2}$ acres to each such farm for each family engaged thereon as owner, share tenant, tenant renter, or share-cropper in the production of cotton on such farm: *Provided, however,* That the number of acres allotted for any family cultivating less than $7\frac{1}{2}$ acres of tilled land during any of the five preceding seasons shall be the larger of the number of acres that was cultivated in any such seasons, such production to be determined in accordance with regulations issued by the Secretary.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

The clerk will state the next committee amendment.

The next amendment of the Committee on Agriculture and Forestry was, on page 36, line 19, to insert the following:

(e) If the quantity of cotton produced on the fixed number of acres exceeds the quantity specified, as hereinabove provided, the quantity so produced shall prevail as the national marketing quota and all of it may be marketed in interstate and foreign commerce.

Mr. OVERTON. I offer an amendment which lies on the desk and ask that it be read.

The PRESIDING OFFICER. The amendment of the Senator from Louisiana will be stated for the information of the Senate.

The CHIEF CLERK. On page 36, line 6, after the words "in such year", it is proposed to insert a colon and the following:

Provided, however, That the lands devoted to crops for market other than cotton shall be excluded in determining tilled lands under this subsection (2).

The PRESIDING OFFICER. Without objection, the vote whereby paragraph (2) on page 36 was adopted will be reconsidered, and the question is on the amendment offered by the Senator from Louisiana to the amendment of the committee.

Mr. GEORGE. May I inquire if the amendment proposed by the Senator from Louisiana has been printed?

Mr. OVERTON. The amendment has been printed and is on the desk of the clerk.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. MILLER. I understood that the amendment offered by the Senator from Louisiana is to paragraph (2) on page 36, which is intimately connected with subsection (1) on page 35, which was passed over.

Mr. OVERTON. The statement made by the Senator from Arkansas is correct; and if it is desired by the Senator from Arkansas or any other Senator that the amendment which I propose shall be passed over until the amendment in line 5 on page 35 has been considered, it will be agreeable to me.

Mr. MILLER. I think it should be passed over, Mr. President.

The PRESIDING OFFICER. Is there objection to passing over paragraph (2) on page 36? The Chair hears none; and, without objection, that paragraph will be passed over.

Without objection, the other paragraph—paragraph (1) on page 35, as amended and read—will be agreed to.

The question is on agreeing to the committee amendment, paragraph (e) on page 36.

The committee amendment was agreed to.

The next amendment was, on page 36, after line 23, to insert a new paragraph, as follows:

(f) Not in excess of 3 percent of the national marketing quota apportioned to any State may be allotted and apportioned to farms and areas currently producing cotton for the first time during the last 10 years. Such apportionments shall be made under regulations to be adopted by the Secretary.

The amendment was agreed to.

The next amendment was, on page 37, after line 4, to insert:

SEC. 32. (a) Whenever, after due notice and opportunity for public hearing to interested parties, the Secretary determines that the national marketing quota then in effect does not make available a normal supply of cotton, the Secretary shall increase such national marketing quota so as to make available during the marketing year a normal supply.

The amendment was agreed to.

The next amendment was, on page 37, after line 10, to insert:

(b) If, by reason of drought, war, or other national emergency, or increase in exports, the Secretary has reason to believe that the national marketing quota should be increased or suspended, then the Secretary shall proclaim that fact and, after due notice and opportunity for public hearing to interested parties, shall to the extent necessary to meet such emergency increase the farm marketing quotas within any production area, or suspend marketing quotas. No farm marketing quota for any farm shall be reduced after an increase pursuant to this subsection.

Mr. ASHURST. Mr. President, I wish not to prolong discussion of the bill, but subsection (b), in my judgment, does the following: It says to the Secretary, "Do as you please. If, in your judgment, there is a drought, a war"—and it does not say where—"or other national emergency, you may prescribe the quotas."

In one phase of the bill we say the Secretary must not do this or that, and in another phase of the bill we say he may do as he chooses, and he may determine that a contingency has happened. We say, "If, by reason of drought, war"—where?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. VANDENBERG. Is the Senator not willing to trust the omnipotent judgment of the Secretary of Agriculture?

Mr. ASHURST. That is not the point. I have large confidence in the ability, the sagacity, and the patriotism of the Secretary of Agriculture. It is my habit of mind to have confidence rather than to suspect my fellow citizens. But do Senators wish to give this vast power to any person? I think not. "If by reason of drought, war"—where? We are proposing to give to the Secretary the power to declare that a war exists somewhere, which power we have been trying to avoid giving to anyone.

I shall not say anything further than to point out that it is provisions like this, words of this character, where the departments find the power granted to them to do the very things Congress does not want them to do or have the power to do. Arizona has had experience with reference to departmental action relative to cotton. It is not an offense to say, "You cannot read in the dark," and it is no reflection upon a departmental official to decline to grant him such power.

I have said all that I can say. The language of this provision is about as nearly complete authority as a parliamentary body could grant to any official.

Mr. BYRNES. Mr. President, I am impressed by what the Senator from Arizona has said, and I should like to inquire of the Senator from Alabama [Mr. BANKHEAD] whether he insists upon the adoption of the section; and if so, what are his views with reference to it?

Mr. BANKHEAD. Mr. President, the paragraph was included merely for flexibility in the event of an emergency. I do not think it is particularly valuable and I have no objection to striking it out.

Mr. ASHURST. I hope the matter may be stricken out.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 37, after line 20, to insert a new paragraph, as follows:

Sec. 33. (a) The wilful marketing in interstate or foreign commerce of any cotton produced on a farm for which a quota has been established in excess of the quantity produced on such acreage is hereby prohibited. Ginning such cotton and selling it creates a prima facie presumption that such cotton was marketed in interstate or foreign commerce in violation of this title.

Mr. HATCH. Mr. President, I desire to offer an amendment to that particular paragraph of the section.

The PRESIDING OFFICER. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. On page 37, line 24, after the word "prohibited", it is proposed to insert the following:

Unless prior to such marketing (1) the Secretary shall have, under section 7, released cotton from marketing quota restrictions, or (2) the farmer shall have absorbed such excess marketing through diverting from the production of cotton an acreage, the normal production of which equals or exceeds the amount of such excess marketing.

Mr. HATCH. Mr. President, I may say in explanation that the bill as drawn in this particular section would prohibit the sale of cotton grown on excess acreage. The bill does not make any provision for any disposition of the cotton so grown. It freezes it completely, and nothing can ever be done with that excess cotton.

This is not original with me. Someone from the Department called it to my attention, and the amendment was drawn so as to provide a method by which such excess cotton might be lawfully disposed of.

Mr. BANKHEAD. Mr. President, there is just one statement of the Senator that I want to correct. The farmer could hold this cotton and use it for next year's allotment.

Mr. HATCH. That is the very point on which the bill is not clear and the amendment would make it absolutely clear.

Mr. BANKHEAD. I do not know that I have any objection to the second part of the Senator's amendment.

Mr. HATCH. It was drawn by the Department and not by me.

Mr. BANKHEAD. Suppose we let it go over until tomorrow?

Mr. HATCH. May we have paragraph (a) go over until tomorrow?

Mr. BYRNES. Mr. President, I suggest that the Senator's request is reasonable and that we let the entire paragraph go over.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico that paragraph (a) of section 33 go over until tomorrow? The Chair hears none, and it is so ordered. The clerk will state the next amendment.

The next amendment of the Committee on Agriculture and Forestry was, on page 38, after line 2, to insert a new paragraph, as follows:

(b) Any person knowingly purchasing or selling cotton marketed in violation of subsection (a) shall pay a penalty of 75 percent of the purchase price of the cotton. Such penalty shall accrue to the United States.

The amendment was agreed to.

The next amendment was, on page 38, after line 6, to insert a new paragraph, as follows:

(c) Persons who knowingly sell cotton grown on acreage not included in an acreage allotment shall not be eligible for any payments under the Soil Conservation and Domestic Allotment Act nor under this title.

All persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act as amended or under this title shall file with the application a statement verified by affidavit that the applicant had not knowingly sold any cotton during the current year produced on any land other than the acreage allotted to the applicant, and that he will not during such crop year sell any cotton produced on acreage other than that allotted to the applicant. Any person who knowingly swears falsely to the facts above stated shall be guilty of perjury.

The Secretary shall provide by regulations for the identification of cotton produced on the allotted acreage in such way as to afford aid in discovering and identifying cotton sold or offered for sale which was not produced on acreage included in any farm allotment. Producers who sell cotton produced on land not included in such producers' allotted acreage shall be ineligible for Government cotton loans during such marketing year.

The amendment was agreed to.

The next amendment was, on page 38, after line 3, to insert a new paragraph, as follows:

(d) The several district courts of the United States are hereby vested with jurisdiction specifically to enforce the provisions of this title. If and when the Secretary shall so request, it shall be the duty of the several district attorneys in their respective districts, under the direction of the Attorney General, to institute proceedings to collect the penalties provided for under this section. The remedies provided for herein shall be in addition to, and not exclusive of, any of the remedies or penalties under existing law.

The amendment was agreed to.

The next amendment was, on page 39, after line 12, to insert a new section, as follows:

Sec. 34. The Secretary shall provide, through the State, county, and local committees of farmers hereinafter authorized for the making of allotments to farms of the national marketing quota and, when legally authorized to do so, apportion a number of acres from which cotton produced may move in interstate or foreign commerce, and for measuring all farms and ascertaining whether an excess over the apportionment of any farm under the national marketing quota has been planted to cotton. If an excess of planted-to-cotton acreage is found on any farm, the committee shall promptly file with the State committee a written report stating the total acreage in cultivation and the acreage then planted to cotton.

The amendment was agreed to.

The next amendment was, at the top of page 40, to insert:

Sec. 35. The Commodity Credit Corporation is hereby authorized and directed to extend the maturity date of all notes evidencing a loan made by that Corporation on cotton produced during the crop year 1937-1938 from July 31, 1938, to July 31, 1939.

The Corporation is further authorized and directed to waive its right to reimbursement from warehousemen accruing because of the improper grading of cotton as provided in the loan agreement. Except insofar as herein specifically modified, all the terms and conditions of the loan agreement shall remain applicable.

Mr. McKELLAR. Mr. President, I ask the Senator from Alabama just what that means.

Mr. BANKHEAD. Mr. President, this amendment was offered by the senior Senator from South Carolina [Mr. SMITH], the chairman of the Committee on Agriculture and Forestry.

Mr. McKELLAR. I refer to the provision reading:

The Commodity Credit Corporation is hereby authorized and directed to extend the maturity date of all notes evidencing a loan made by that Corporation on cotton produced during the crop year 1937-1938 from July 31, 1938, to July 31, 1939.

Is not that looking a long way into the future?

Mr. BANKHEAD. The senior Senator from South Carolina is in the Chamber, and I will refer the Senator to him.

Mr. SMITH. Mr. President, in respect to the matter to which the Senator has called attention, there is now in course of preparation an amendment which I think will take care of this feature.

Mr. McKELLAR. I ask that the amendment go over until tomorrow.

The PRESIDING OFFICER. Without objection, section 35 will be passed over.

Mr. BANKHEAD. Mr. President, a little while ago the Senator from New Mexico [Mr. HATCH] tendered an amendment which he said was prepared by the Department, and which we did not understand, but we do understand it now. I ask that that be taken up at this time.

The PRESIDING OFFICER. Is there objection to returning to the paragraph on page 37 involved in the amendment? The Chair hears none, and the Secretary will state the amendment.

The CHIEF CLERK. In the amendment of the committee on page 37, line 24, after the word "prohibited", it is proposed to insert the following:

Unless prior to such marketing (1) the Secretary shall have, under section 7, released cotton from marketing quota restrictions, or (2) the farmer shall have absorbed such excess marketing through diverting from the production of cotton an acreage, the normal production of which equals or exceeds the amount of such excess marketing.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HATCH. Mr. President, I desire to call the attention of the Senator from Alabama to another matter before we pass from this particular section. From a reading of it another thing has come to my mind, and I desire to call it to the attention of the Senator from Alabama. In lines 24 and 25 I find the words "Ginning such cotton and selling it creates a prima facie presumption." It would take both ginning and selling to create the presumption. I have in mind that in some sections of the country cotton is largely sold in the seed. Has the Senator from Alabama given any consideration to that?

Mr. BANKHEAD. Yes. My thought was that before the producers could take it into the channels of interstate commerce they had to gin it and sell it.

Mr. HATCH. I do not quite agree with the Senator in that regard.

Mr. BANKHEAD. Under this program we are limited to the regulation of commerce and getting the product into condition to move it in commerce. I thought it was best to take this precaution, to be on the conservative side, to provide that both things must concur, namely, that the ginning must be done and that the cotton must be sold, because the producers cannot move it in interstate commerce effectively until they gin it.

Mr. HATCH. Mr. President, I merely desired to call this to the attention of the Senator from Alabama because it occurs to me that the bill as drawn leaves a wide-open loophole to people by which to escape every penalty which has been provided in the bill. Cotton can be and is transported across State lines and sold in the seed very frequently in the western part of the country, as the Senators from Texas and Oklahoma and States in that section know. I do not know about Alabama.

I am calling this to the attention of the Senator from Alabama to ascertain whether he desires to consider it in perfecting his bill, and in order that it may be considered I ask that this paragraph go over until tomorrow.

Mr. BANKHEAD. I have no objection to that.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over.

Mr. POPE. Mr. President, I desire to have printed a proposed amendment for the benefit of Senators, the amendment relating to the matter of ensilage in connection with dairy practices.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEE ON THE JUDICIARY

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of FRED M. VINSON, of Kentucky, to be an associate justice of the United States Court of Appeals for the District of Columbia, vice Charles H. Robb, retired.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Henry White Edgerton, of New York, to be associate justice of the United States Court of Appeals for the District of Columbia, vice D. Lawrence Groner.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Joseph R. Jackson, of New York, to be associate judge of the United States Court of Customs and Patent Appeals, vice Finis J. Garrett, nominated to be presiding judge of that court.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of John P. McMahon, of the District of Columbia, to be judge of the police court for the District of Columbia.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of John H. Druffel to be United States district judge for the southern district of Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES HOUSING AUTHORITY

The legislative clerk read the nomination of Nathan Straus, of New York, to be Administrator of the United States Housing Authority.

Mr. VANDENBERG. Mr. President, I desire to make a brief statement regarding the nomination of Mr. Straus, of New York, to be Administrator of the United States Housing Authority. I make the statement in fairness to Mr. Straus, as well as in fairness to the protest which I tentatively filed with the committee when his nomination was reported to the Senate a few weeks ago.

One objection which was urged to the eligibility of Mr. Straus was that he could not function under the terms of the law in the administration of a housing project in which he was a stockholder, as is the continuing case with the housing project known as Hillside Homes.

Mr. Straus and his counsel readily admit this infirmity, and have avoided it by filing a letter with Secretary of the

Interior Ickes to the effect that any problem involving Hillside Homes will not be determined by Mr. Straus, but will be referred to the Secretary direct. That point, however, is incidental.

The larger question involved is the question of policy in handling housing projects. Mr. Straus was the promoter and builder of a very famous housing project in New York known as Hillside Homes. I think perhaps it is one of the largest in the country. It is built on a portion of what was formerly a farm in the Bronx area in New York City on the Boston Post Road. It is built on the farm which Mr. Straus inherited from his father.

Without going into any of the details, the point at issue, the point in controversy originally, turned on the fact that after Mr. Straus had obtained \$5,000,000 from P. W. A. by way of a loan in respect to this low-cost housing project, and after he had located this project on his own farm, or on a portion of it, he withheld from the transfer a strip of land 100 feet wide across the entire front of the project, retained it to himself, and subsequently developed it as a private enterprise, after the housing project had created a community at that point.

When this matter first came to my attention I was completely shocked by the contemplation that a housing project could thus mingle what seemed to me to be a private interest with a public interest; in other words, that Government money could be used to create an enormous housing project upon the one hand, and that the creator of the project on the other hand could reserve unto himself 100 feet of land in front of it which he subsequently could develop to his own personal profit. It did not occur to me that there could be any defense for such a thing.

On that basis I asked the committee to hear Mr. Straus. The able junior Senator from Utah [Mr. THOMAS] arranged the session yesterday, and Mr. Straus appeared. Mr. Straus dealt with the matter with complete candor. He freely accepted the facts as I have stated them; namely, that he did withhold the 100-foot strip in front of the project, that he did develop it for his own personal gain, if possible, and he stated that his only embarrassment was that the venture had not been profitable, and that he had to concede that he had not been able to make any money out of it.

But, Mr. President, he also presented a philosophy of action which was entirely new to me, but which I was immediately bound to concede as entirely persuasive, and inasmuch as this matter had been bruited about in the press so much, it seemed to me that it would be worth while, so far as I am concerned and so far as Mr. Straus is concerned, to settle it once and for all.

Mr. Straus takes the position—and I repeat that it is a persuasive position—that if you have any hope of interesting large private investment in a large low-cost housing project on land which is to be purchased cheap enough to permit an appropriate housing enterprise, you must permit an adjacent development in the interests of the private parties themselves.

Let me put that differently. I should say Mr. Straus presents the proposition that you must choose one of these two alternatives: Either you must buy all of the land at a high price, which may be too high to permit of the construction of a low-cost housing project, or you must permit the sale of a portion of the land at a low cost, and then permit the adjacent development as a private project by way of compensation to the owner of the sum total of the land.

This is what Mr. Straus did. He sold at a very low figure for the Hillside project that portion of his farm which is used for housing. I think it was demonstrated that it is probably the lowest square-footage price of any housing project of a major character in the United States. I think it is fair to say, and I am anxious to be the one to say it, that a powerful argument may be made in behalf of the theory that it is to the advantage of the housing project to purchase land at a low cost and permit the vendor to compensate himself through the development of the adjacent facilities. It is upon that theory that Mr. Straus proceeded; and I repeat

that while it was a novel philosophy to me, it certainly can be defended with a powerful argument.

I am still of the unregenerate opinion that it would be far preferable in connection with these housing projects that all of the land in a common project should be developed for the benefit of the project and as a common whole.

On the strength of the situation as I have described it—and I think I have fairly presented the situation—I withdrew any objection I had to Mr. Straus' confirmation. I stated to Mr. Straus that I would make this statement upon the floor, and that I would support his confirmation.

Mr. THOMAS of Utah. Mr. President, I am very happy that the Senator from Michigan [Mr. VANDENBERG] made the statement that he did. I am glad to be able to report to the Senate, in presenting the nomination of Mr. Straus, that the committee stood 100 percent in favor of his confirmation.

I should also like to say that the committee passed upon the worthiness of Mr. Straus. As far as his particular theories as they represent his actions in regard to the Hillside property are concerned, we, of course, are in hearty agreement with him and with what the Senator from Michigan said. Probably this development will be one unique in the history of housing in the United States.

Mr. President, we did not pass upon Mr. Straus' philosophy of housing, and we trust that his philosophy of housing is not limited entirely to the theory advanced in this particular project. Housing in America must be a very complex affair, because conditions are different almost everywhere.

We trust, though, that in case conditions may be found similar to those of the Hillside project Mr. Straus will not be at all backward in moving in identically the same way that he moved in the development of that project. As I have said before, we cannot expect to have very many projects identical.

We did not pass upon housing philosophy. We expect Mr. Straus to know that he must carry on his administration in conformity with the housing law, and we trust that he will develop very many different philosophies in regard to housing in America.

Mr. WAGNER. Mr. President, I want to thank the senior Senator from Michigan [Mr. VANDENBERG] for his statement regarding Mr. Straus' business enterprise. I was prepared to explain the enterprise as I knew it, and have known it, but the Senator has explained it better than I can.

There is just one thing that, perhaps, might be added. Mr. Straus did find a part of the land which was not taken by the limited-dividend corporation at the time the construction took place. It was vacant and adjoined the commercial enterprise. Mr. Straus leased to the Hillside Corporation, at a rental of \$1 per year, that vacant land so that it might be utilized for recreation by the children living in the project and in those houses. I think a close examination will show that Mr. Straus disclosed his philanthropic attitude in this matter as he did in other matters.

I know Mr. Straus did not seek this place, but the office sought him. New York was proud to give his services to the country, and I am sure that when the time comes for appraisal none of us will regret that we have confirmed his nomination.

I happen to have known Mr. Straus from his boyhood. His family name of Straus is a household word among all the underprivileged and sickly and poor in the city of New York, as my colleague is able to testify from his familiarity with the activities of Nathan Straus in behalf of the unfortunate poor in New York. I know he came in contact with them during his service as commissioner of health in New York City.

This boy grew up holding firm to the great name of Straus established by his father and relatives. He has devoted most of his time to philanthropic purposes and to public service. He served for two terms as a State senator and, by the way, was elected both times in a district that had been overwhelmingly Republican. The people expressed their confidence in his integrity and capacity by electing him overwhelmingly on each occasion.

In the State legislature he had an outstanding record, again in a field where he was advocating successfully legislation to build a better day for the unfortunate and underprivileged. He devoted a great deal of study to the question of housing, particularly slum clearance. On a number of occasions he went to European countries at his own expense, remaining there 1 full year on one trip, in order to study the methods used by the other countries which are so far ahead of us in the construction of houses for the underprivileged and in the clearance of slums.

Mr. Straus is a man of the highest character, a man of exceptional ability. I am one of a great number who is very happy that he saw his way clear to accept this office when it was proffered by the President of the United States. I have the greatest confidence in his integrity and capacity, and sincerely believe that if confirmed his conduct of the office of Administrator will justify that confidence to the fullest extent.

Mr. COPELAND. Mr. President, it would be most ungenerous of me if I did not say a word about this matter.

Mr. Nathan Straus and Mrs. Straus, father and mother of the nominee, were close friends of mine. I think Mr. Nathan Straus, the father, was the greatest philanthropist our generation has known in America. The importance of what he did for child life in our country is beyond all measure. The work of Mr. Nathan Straus, Sr., extended far beyond the borders of our country.

He talked with me 20 years ago about what he hoped to do in Palestine and he did as a matter of fact establish the Straus Medical Center in Jerusalem and at another point, Tel Aviv, in Palestine. The Senator from Vermont [Mr. AUSTIN] and I were privileged last year to visit both those institutions.

The nominee, Mr. Nathan Straus, Jr., has been brought up in this atmosphere of philanthropy. The father gave until he was poor in money, and the son has witnessed good works all his life. I have no question that he will continue in his Federal office the same high degree of excellence that he has shown in his public work in the city and State of New York.

I wish to say to the Senator from Michigan [Mr. VANDENBERG] that I think he has been most generous today in what he has said and in his attitude in the matter.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Mr. Straus? Without objection, the nomination is confirmed.

Mr. COPELAND. Mr. President, the matter having been held over under these circumstances, and now happily concluded, I request that the President may be notified.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that the President be notified. Is there objection? The Chair hears none, and the President will be notified.

That concludes the Executive Calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Thursday, December 9, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 8 (legislative day of November 16), 1937

UNITED STATES DISTRICT JUDGE

John H. Druffel to be United States district judge for the southern district of Ohio.

UNITED STATES HOUSING AUTHORITY

Nathan Straus to be Administrator of the United States Housing Authority.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 8, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We draw near to Thee, our Father, not as unto a fearful and an avenging God but to One who is touched with a feeling of our infirmities. To everyone that heareth, and to everyone that will, the call is to life, hope, and joy. We thank Thee for the providence which has kept us through another night and for the miracle of dawning light flushing the east with the prophecy of day. We praise Thee for the fresh life coursing through our weakness and for the power to stand erect. We bless Thee for the noble men and women whose generous hearts have lit the altar fires of philanthropy in many a dark and desolate home. Hear our supplication, O Lord our God; all that is in the heaven and the earth is Thine. Riches and honor cometh from Thee, and Thou reignest over all. We therefore thank Thee and praise Thy glorious name. In the dear Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. WILCOX. Mr. Speaker, I ask unanimous consent that on tomorrow, immediately after the reading of the Journal and the disposition of business on the Speaker's desk, I may be permitted to address the House for 35 minutes. In the event the farm bill has not been disposed of prior to tomorrow, I ask that I may be permitted to address the House for 35 minutes immediately after the disposition of that measure.

The SPEAKER. The Chair calls the attention of the gentleman from Florida to several previous orders of the House for gentlemen to speak under the same contingencies.

Mr. WILCOX. My request is made subject to prior orders, of course, Mr. Speaker.

The SPEAKER. The gentleman from Florida asks unanimous consent that on tomorrow, after disposition of matters on the Speaker's table, and following the legislative program of the day and the special orders heretofore entered, he may be permitted to address the House for 35 minutes. Is there objection?

There was no objection.

Mr. SHANNON. Mr. Speaker, I ask unanimous consent that after the disposition of the business of the House on Friday and following the remarks of the gentleman from Michigan [Mr. HOFFMAN] I may be permitted to address the House for 15 minutes.

The SPEAKER. The gentleman from Missouri asks unanimous consent that on Friday, after the disposition of matters on the Speaker's desk and the legislative program of the day, following the remarks of the gentleman from Michigan [Mr. HOFFMAN] he may be permitted to address the House for 15 minutes. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by including a letter from William Green, president of the American Federation of Labor, on the wage and hour bill, together with a proposed bill supported by the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. JONES. Mr. Speaker, I regret to object, but there is a Member here who wants 3 minutes, and I have told him I would rather he would wait until we get into the farm bill and then seek recognition.

Mr. FISH. I am perfectly willing to withdraw the request if the gentleman is not going to be too strict in his interpretation of the farm bill with respect to my remarks.

I withdraw the request, Mr. Speaker.

Mr. O'CONNELL of Rhode Island asked and was given permission to extend his remarks in the RECORD.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein an address recently delivered at Wichita by Henry Wallace on the subject of wheat.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. RICH. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. RICH. I want to call the Chair's attention to the fact that the Treasury statement—

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. RICH. I wanted to ask unanimous consent that I may call the attention of the House to the condition of the Federal Treasury—

Mr. PATMAN. Regular order, Mr. Speaker.

The SPEAKER. The gentleman from Pennsylvania must proceed in order and submit a unanimous-consent request.

Mr. RICH. They do not want to hear it, Mr. Speaker.

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

The motion was agreed to.

Mr. BOYER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will state to the gentleman that the House had already decided to resolve itself into the Committee of the Whole and the Chair had announced the decision.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8505, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. BOYER. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman from Illinois will state his point of order.

Mr. BOYER. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seven Members are present, a quorum.

When the Committee rose yesterday there was pending an amendment which had been offered by the gentleman from Illinois [Mr. LUCAS], which the Clerk will again report.

The Clerk read the Lucas amendment, which is as follows:

Amendment offered by Mr. LUCAS: On page 14, line 19, strike out all after the period and down through the period in line 24 and insert in lieu thereof the following: "The Corporation shall make loans during any marketing year on field corn produced on farms in the commercial corn-producing area, as defined in section 321 (f), on which the acreage planted was not in excess of the farm acreage allotment, and said loans shall be made on the following percentages of parity price for field corn as of the beginning of such marketing year:

"Eighty percent if the November production estimate for the current crop of field corn does not exceed a normal year's domestic consumption and exports;

"Seventy percent if such estimate exceeds a normal year's domestic consumption and exports by not more than 5 percent;

"Sixty percent if such estimate exceeds a normal year's domestic consumption and exports by not less than 5 percent and not more than 10 percent;

"Fifty-five percent if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent."

The CHAIRMAN. There was also pending an amendment to the amendment, offered by the gentleman from Wisconsin [Mr. BOILEAU], which the Clerk will again report.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU to the amendment offered by Mr. LUCAS: After the word "farms" where it first appears in said amendment, strike out the words "in the commercial corn-producing area as defined in section 321 (f)" and insert "(whether or not in the commercial corn-producing area as defined in section 321 (f))".

Mr. JONES. Mr. Chairman, I move to strike out the last word. At first blush I was inclined not to question this amendment, but on examination and on looking over the implications I think it would be very unfortunate both from the standpoint of the corn producers and from the standpoint of the country. The mandatory feature is objectionable for two reasons. This would make loans at fixed percentages mandatory, and would make those mandatory, regardless of whether a marketing quota went into effect. If you had mandatory loans at these figures, and they had no choice but to make them, they might start in and have an accumulation of loans, and never have any sort of marketing quota restrictions. Quotas might be voted down, and you might find yourself in a place where you would have a debacle on corn. In the second place, if it is made mandatory on corn, I find that all of the other commodities that are on an export basis or that are major crops, would also want the same thing to be mandatory. You cannot force people to buy commodities. You could get the rate of loans up to a figure that it seems to me would make it impossible. I have no objection to the schedules being placed as they are in this amendment. If the gentleman, instead of saying that the loan shall be made will strike out the words "shall be made" and insert "are authorized to be made", I would have no objection to the schedule. As a matter of fact, if the corn people have figured out the schedule they want, I would be perfectly agreeable to that. But I certainly do not feel that the good of the country or even of the corn producers would be furthered along down the years if we have mandatory loans at a stiffened price, and do not have them linked with the marketing quotas.

There is one other complication that has come in. The gentleman from Wisconsin [Mr. BOILEAU] has offered an amendment which would make the same type of loan available outside of the commercial corn-producing area. In those regions there could not be any quota under the corn-quota provisions. So that for the double reason—and I do not say there is no logic to the gentleman's position—certainly they could not have marketing-quota provisions outside of the corn area.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BOILEAU. We have the same provisions in the present law.

Mr. JONES. Yes.

Mr. BOILEAU. Does not the gentleman believe that if the Lucas amendment is to be adopted, my amendment should also be adopted?

Mr. JONES. I would rather not pass judgment on that. I do say that I offered no objection. I tried to stay out, as far as the corn provisions were concerned, and I offered no objections to the amendment to the amendment offered by the gentleman from Wisconsin, but the gentleman realizes the difficulty that would arise by having a mandatory loan applying to the area in which a third of the corn would be entitled to a loan and there would be no quota provisions.

Mr. BOILEAU. In the committee draft is it not a fact that the committee accepted a language identical with what I offered?

Mr. JONES. That is correct. I am not arguing against the gentleman's amendment.

Mr. BOILEAU. And, is not the committee committed to the argument that if there are to be loans on corn, that

the loans be made outside the commercial area as well as in the commercial area?

Mr. JONES. That is true as to the present provision. We did not pass on the question of whether it would be included in the bill. I can see some logic to the argument. I am not talking about the gentleman's amendment, I am commenting upon it to show the difficulty that would arise. If these gentlemen are willing to strike out the mandatory feature and put in the word "authorized" I would be willing to say that I can see no objection to the amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PIERCE. Mr. Chairman, I move to strike out the last two words. It seems to me that our chairman has given too much ground. One of the things that hurt the farming world was and is too much credit. We are going to break this bill down with these unjustifiably big loans. I think the percentages are entirely too high in the amendment offered by the gentleman from Illinois [Mr. LUCAS]. In fact, I would favor a loan of 50 percent of parity instead of 55 percent as the minimum. It will take untold millions at the rates in the amendment now pending. At the rates provided in the Lucas amendment a man could go into farming just to raise corn and pile it up, taking Government loans in lieu of sales. We must not encourage them to raise cotton, wheat, or corn and expect the Government to take it off their hands at a profit. The loan feature is a stop-gap. It should be in the nature of a minimum price. I have heard people on the floor here in the last week or two who are from the Corn Belt say that they can raise any quantity if they are guaranteed anything like 75 cents a bushel, or even the figure in the amendment. I think we ought to stand by the bill as it is here drawn, and have a minimum loan of 55 percent and a maximum of 75, which ought to be entirely optional and not mandatory.

There will be many Congressmen on both sides of this aisle 2 years from now constantly calling our attention to the condition of the Treasury, if this bill is put through with this amendment offered by our colleague from Illinois [Mr. LUCAS].

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes; I yield.

Mr. MAY. If I understood the chairman of the Committee on Agriculture correctly, he stated a while ago that in the Corn Belt area there would be quotas that would restrict production and loans, and under the Boileau amendment there would be loans outside of the corn area. Might not that very thing unbalance the whole production program and give us more production by reason of the men outside of the corn area growing more corn?

Mr. PIERCE. Yes. There is just this in the Boileau amendment: If within the commercial area they are entitled to a loan, they surely are entitled to it outside, but we must not break the Treasury in trying to help out the farming world.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. GREENWOOD. We are perfectly willing for the loan features to apply outside of the commercial area the same as inside, but I would further call attention to the fact that the 80-percent loan is only when we have normal production, and as we exceed that, even by as much as 5 percent, it drops to 70 percent. If we exceed it by 10 percent, it drops to 55. So there is a cushion provided, regardless of the marketing quota.

Mr. PIERCE. But it takes so many millions. It is just simply impossible. The statement has been made repeatedly that of the money that has been loaned on corn by the Government, none has been lost. That was because we had a drought. The loans made in 1933, 1934, and 1935 were all paid because we had a short crop. I am anxious to see the loan feature left in the bill.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes. I yield to the author of the amendment.

Mr. LUCAS. I respect the judgment of the gentleman from the great Northwest, but he is obviously in error when he says that drought brought up the price of corn in 1933. For the gentleman's information, corn in Illinois was plowed over twice before any drought struck it and the price of corn had advanced from 30 cents under that loan, above 45, which was announced by the Government.

Mr. PIERCE. But if it had not been for the short crop, there would have been losses on those loans.

Mr. LUCAS. Will the gentleman yield further?

Mr. PIERCE. There cannot be any doubt about that. Yes; I yield to the gentleman.

Mr. LUCAS. We have quotas in this bill. As I remember, the gentleman stood with me in the committee and voted to reduce the corn quota.

Mr. PIERCE. I believe the corn quota should be reduced.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. PIERCE] has expired.

Mr. GILCHRIST. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the matter of farm loans on corn has occupied the attention of the country for many years. As I said at the opening of this debate, the first law of that character was passed in Iowa. I was one of the coauthors of that bill, and it has been since copied in most all of the corn States. It has proved to be very helpful to farmers.

Corn lends itself to warehousing better than any other commodity. You can keep corn for 2 or 3 years, if the corn crib is properly constructed, and it will come out at the end of that time in good shape. There has been no time in the history of corn production but what there has been some scarcity over the course of 2 or 3 years, so that the warehousing of corn on the farm keeps the corn off the market and makes a stable condition for corn and for the things that corn makes.

There has been a peculiar philosophy exposed in this debate; namely, that the cost of the materials or ingredients that go into a product do not affect the cost of the product. If that is true, then all of our books on political economy are hocus-pocus, and we on this floor ought to go home and learn something about how to make high prices for a thing by cheapening the cost of the things that go into it.

It is undoubtedly true, and the scientists tell us that 11 bushels of corn make 100 pounds of hogs. Now, 11 bushels of corn at 50 cents comes to \$5.50. If hogs are selling for \$8.50, then everybody will rush into raising hogs, because the farmer will see that instead of getting \$5.50 he will get \$8.50 for his corn if he feeds it to hogs. That is just exactly what they are doing now. They are out buying gilts—there are some on this floor who would not know a gilt if they saw one coming down Fourth Avenue. They would not know what to call it; but the fact is that the price of corn does affect the things to which it is fed.

We want a stable price for steers on the western ranges. We should look to the folks whose interest is in corn to advise us rather than to accept the advice of those who want to cheapen corn. The western rangers sell feeder calves and feeders. If they can get cheap corn to fatten those feeder calves they think it is an advantage to them, or if they follow a customary practice and ship their feeders into the markets like Sioux City, St. Paul, and Chicago, there to be bought and fattened by Iowa, Illinois, and Indiana farmers, then they will argue that if corn is cheap there will be a better market for feeders. That is true. The estimates show as to the corn-hog ratio for next year that there will be a farrowing of hogs next spring, 15 or 20 percent more than last spring. This is because corn is cheap and everybody is rushing into the hog business.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GILCHRIST] has expired.

Mr. GILCHRIST. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GILCHRIST. So that this thing that we are now doing is to put a stable price on corn, all of which is for the advantage of everybody, because it will keep hogs stable, it will keep cattle stable, and the price of corn stable.

No one objects to this loan provision on the ground that it is unconstitutional; it is the one thing in this bill that everybody agrees is constitutional. The Government has never lost a cent on corn loans. My friend the gentleman from Oregon, Governor PIERCE, says that perhaps drought has had something to do with that, but at the same time when the droughts are over if you lend up to only 55 percent of parity on corn you will be absolutely safe, and if the time should come that we should reach as much as 80 percent of parity on corn you still have that cushion. Instead of being a direct charge on the Treasury it would not cost the Treasury one single dollar—it has not heretofore and it will not hereafter—because the cushion is there sufficient to take care of the difference.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. LUCAS. At the present time the loan, of course, would be about 50 cents a bushel?

Mr. GILCHRIST. Yes.

Mr. LUCAS. Under this schedule, with the same type of crop, in any succeeding year the loan would be 55 percent of parity, or 46 cents a bushel on corn.

Mr. GILCHRIST. Yes. I thank the gentleman for his contribution.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. NELSON. Is the farmer actually getting 50 cents a bushel at this time?

Mr. GILCHRIST. In some places where the moisture content is $14\frac{1}{2}$ percent or less the farmer is getting 50 cents.

Mr. NELSON. I am speaking generally.

Mr. GILCHRIST. Speaking generally, it is much less than that because they take out for the moisture that is in the corn, and in many places they do not get more than 44 or 45 cents. I notice that the reports from my own home district say that now corn is coming in with less moisture in it, and some loans can be made at 50 cents, but my belief is that there are not many of these.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, it seems to me it would be a very unwise thing to adopt this amendment. What it really means is that you are going to fix the price of corn, because these loans are made without recourse, they are mandatory, they must be made if we adopt this amendment. So what you would actually be doing, if you should make these loans, would be to fix the price of corn; and at 80 percent the loan today would be about 70 cents. That would be the price you would fix on corn.

There is justification for loans on corn provided they are kept within reasonable limits. I think perhaps we are justified in making loans on corn at a higher rate than on export commodities like wheat and cotton, but there is just as much justification for fixing the price of the domestically consumed portion of export commodities as there is for fixing the price of corn. If we adopt this amendment, it seems to me we change the entire theory of this bill and make it a price-fixing bill, pure and simple. In order to keep all parts of the bill consistent with this, we should then proceed to adopt the Poage amendment which was offered yesterday to the cotton section, and similar amendments to the sections dealing with other commodities. I do not think we are ready to do that, for I think it is a question that should be given a great deal more consideration than we can give it on the floor at this time.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not at this time. To adopt this policy as to corn would leave no logical reason why we should not adopt it on the domestically consumed portion of all commodities.

Now I yield to the gentleman from Oklahoma.

Mr. FERGUSON. Would not the gentleman consider it his duty as a Representative of the wheat area to offer a

similar amendment to the section for wheat if this corn amendment were adopted?

Mr. HOPE. Yes, if that is going to be the theory of this bill we ought to put all commodities on the same basis.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HOFFMAN. I thought one of the purposes of this bill was to raise the price of all farm products.

Mr. HOPE. That is one of the objectives, yes.

Mr. HOFFMAN. Then what is the objection to fixing the price of corn?

Mr. HOPE. I am talking about conflicting theories. This bill is written on one theory, but we are now talking about a different theory entirely, that of price fixing, which is not in the bill.

Mr. HOFFMAN. It is a price-raising bill is it not?

Mr. HOPE. It will become a price fixing bill if we adopt this amendment as to corn.

Mr. HOFFMAN. But as it stands the bill is a price raising bill.

Mr. HOPE. It is hoped to raise the price of farm commodities, but not to fix prices by Government edict or Government loans, as would be done were this amendment adopted.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MICHENER. As I understood the gentleman from Texas yesterday, the purpose of the bill was that of soil conservation purely and simply through control of crops and production.

Now there seems to be a difference of opinion between the gentleman from Texas and the minority member of the Committee on Agriculture.

Mr. HOPE. No; I do not think there is any difference in our viewpoints. This bill is primarily based upon soil conservation. It has as one of its objectives as a part of that program an adjustment of the acreage of soil-depleting crops; and one of the effects of that is going to be, we hope, to increase the market price of those commodities. The bill also provides for loans to enable producers to store their product in good crop years. It further contains emergency provisions for putting marketing quotas upon such soil-depleting crops, as are enumerated in the bill, when the supply reaches a certain point.

Mr. MICHENER. Is that for the purpose of soil conservation that you put the quotas on?

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I do not want to take up too much time at this point, but I do want to explain to the Members of the House who are here this morning and were not here yesterday afternoon when I offered my amendment to the Lucas amendment. You understand, of course, that the Lucas amendment would provide for loans on corn. His amendment provides that these loans shall be made only on corn produced in the commercial corn-producing areas. My amendment provides for the loans to be made on corn whether or not produced in the commercial corn-producing areas. In other words, corn outside of that area is just as valuable as corn within that area. Its effect upon interstate commerce is just as great, not so far as quantity is concerned, perhaps, but a bushel of corn outside the area affects interstate commerce just as much as a bushel within the commercial corn-producing area. The only saving grace is there is not so much corn outside the commercial corn-producing areas. I think no one will dispute the logic of making these loans uniform throughout the country.

May I say to the Members of the House that the bill in its present form, without the Lucas amendment, which provides for loans, but not mandatory loans, contains language identical with the language in the amendment I am now offering so as not to be a departure from the general theory of the bill. I think I am safe in saying that not a member of the Committee on Agriculture objected to this amendment being written in the bill while the bill was still in committee. The

distinguished chairman of the committee, the gentleman from Texas [Mr. JONES], although he did not come out wholeheartedly for the amendment, intimated he saw no objection to it going in as a part of the Lucas amendment. I think it is fair to assume further he intimated that the Lucas amendment might be approved, although he opposes the amendment here, and if that amendment should be approved, my amendment should be incorporated therein. The gentleman from Illinois [Mr. LUCAS] stated that he had no objection to my amendment, and I believe there is no objection to it. I am simply making this statement for the information of the House.

Mr. GREENWOOD. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Indiana.

Mr. GREENWOOD. I agree with the gentleman that loans should be made outside the commercial area as well as inside that area. Will the gentleman explain the cushion here with reference to the sliding scale when the volume of production goes above the average production, showing that the loan is reduced thereby for the excess?

Mr. BOILEAU. Mr. Chairman, if we are justified in making any loans from the standpoint of fixing prices and from the standpoint of stabilization of prices, the flexibility of the schedules in this bill are such as to guarantee the Government against accumulating large surpluses. I think it would be helpful so far as this bill is concerned. My principal object at this time is to emphasize the amendment I have offered and to urge its adoption, whether or not the House accepts the Lucas amendment.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this particular amendment and all amendments thereto close in 11 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Chairman, as a Representative of a district producing a large number of feeding cattle and sheep I am opposed to the Lucas amendment. The bill as written gives the Secretary of Agriculture ample discretion to make loans in sufficient amounts to the corn producers of this country in order to protect them so far as the price of corn is concerned.

The Secretary, in fixing the amount of the loans, could and, no doubt, would take into consideration the relative price of cattle, sheep, and hogs.

May I call attention again to the fact that the livestock industry is the largest industry in the United States, and yet that industry has not a single word of protection in this bill. In addition to that, Mr. Chairman, 437,000 cattle were imported into the United States during the first 9 months of this year. Is this bill fair to the livestock industry, in view of this importation of cattle? I am still for the bill, however, if it is not amended to the point where all sense is removed from it. The cattlemen of the West have been upon their backs and broke until the last 2 years. It has only been within the last 2 years that they have received a sufficient price to meet cost of production.

The pending amendment makes it mandatory upon the Secretary of Agriculture to make loans to corn producers up to 80 percent of the value of the corn. What will happen? We sell our feeders to the corn producers of this country. We ship those feeders to St. Paul, Omaha, and Chicago. If the farmers can get 65, 70, or 80 cents a bushel for their corn from the United States Government they will sell their corn to the United States Government. They would be crazy if they did not. That will leave in the stockyards the western feeding cattle to be sold at any price which the owners are offered. When you ship your livestock to the markets you are at the end of the trail and at the mercy of the buyers.

Mr. Chairman, our taxpaying industries in the West are cattle, sheep, and grain, to a certain extent. I ask you not to wipe us out by building up a fictitious price on corn. I want to see the corn producers get a fair price. The Com-

mittee on Agriculture has taken care of that in the bill as written in section 201 of title II of the bill, which provides that the Secretary may make ample loans to the corn producers of the country. I am asking the Members now to give us some protection here today in this bill so that we may find a market for our feeding cattle and our feeding sheep by giving us reasonably priced corn.

Mr. FERGUSON. Will the gentleman yield?

Mr. O'CONNOR of Montana. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. What would have been the result this year, with an excessive corn crop, had the parity loans that they propose here been in effect in the Corn Belt?

Mr. O'CONNOR of Montana. Of course, feeders would drop to nothing.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR of Montana. Yes; I yield to the gentleman from Illinois.

Mr. LUCAS. The gentleman apparently does not understand my amendment when he talks about parity price. The loan price on corn today would be less than what the Government announced recently, if this amendment were in effect, because of the bumper crop we have.

Mr. O'CONNOR of Montana. In addition, I may say that feeding cattle have been dropping from 9 to 10 cents a pound down to 5 and 6 cents a pound today.

Mr. LUCAS. The gentleman cannot lay this onto the mandatory loan feature.

Mr. O'CONNOR of Montana. No; but the point is that this will come about if this amendment is adopted, because the Secretary is obliged to make these loans.

Mr. LUCAS. What is the cause of the drop in market price of cattle and hogs at this time?

Mr. O'CONNOR of Montana. It is because we do not have the consumption. The price of meats to a certain extent is based upon the market demand for them.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I believe this amendment in its present form would turn against the corn producers themselves. They now have a loan of 50 cents a bushel. They might bring their production down enough next year to get a loan of 65 cents, but they would still have enough corn for a 55-cent loan; and the first thing you know there would be a collapse, I am afraid, since there is no condition to the loan. If the provision is made permissive, then if they get their production too high they simply will not get the loan. It is really self-governing if you put it that way. However, when you make a loan mandatory and say that the Commodity Credit Corporation must make loans at specific figures on a commodity the normal production of which for the last 10 years has been 2,300,000,000 bushels you are heading toward a slaughter, I am afraid.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the amendment offered by the gentleman from Illinois.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Illinois as amended.

The question was taken; and on a division (demanded by Mr. LUCAS) there were—ayes 74, noes 69.

Mr. JONES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DOXEY and Mr. LUCAS.

The Committee again divided; and the tellers reported that there were—ayes 80, noes 65.

So the amendment as amended was agreed to.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 14, line 8, commencing with the word "is", strike out down to and including the word "to", in line 10 on the same page, and insert the words "shall at not less than the parity prices";

Page 14, line 17, strike out the words and figures after the word "than" and the first four words of line 18, and before the period in line 19 insert "on that part of said production only as the Secretary determines will be consumed in the domestic market."

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object, I think this is the most important amendment we will vote on in connection with this bill. A number of Members desire to speak, and I personally desire at least 10 minutes, and I hope such a request will not be made.

Mr. DIES. Some of us have not spoken on this farm bill at all, and we may want to speak 10 minutes.

Mr. PATMAN. My colleague the gentleman from Texas [Mr. DIES] has not spoken at all on the bill, and he would like to have at least 10 minutes, and I, therefore, hope the gentleman will not insist on limiting the time now.

Mr. JONES. I withdraw the request, Mr. Chairman.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

PARITY PRICES FOR FARMERS

Mr. PATMAN. Mr. Chairman, on page 14 of this bill we are considering section 201. The amendment which has been offered strikes out the words "is authorized upon recommendation of the Secretary and with the approval of the President to." This is the provision that authorizes loans. The amendment will strike out the authorization and make it compulsory by substituting therefor "shall at parity prices make these loans."

Mr. BOILEAU. Mr. Chairman, will the gentleman yield there?

Mr. PATMAN. Yes.

Mr. BOILEAU. The gentleman's amendment in line 10 strikes out the comma after the word "President" and also the word "to."

Mr. PATMAN. Yes; it strikes that out, too, and leaves it so as to make all loans compulsory.

Also in line 17, where the bill states that the loans shall be not less than 55 percent and not more than 75 percent of the parity price, we strike out the percentage, which leaves it "shall be not less than parity prices."

And before the period in line 19 insert:

On that part of said production only as the Secretary determines will be consumed in the American market.

So the amendment, if adopted, will compel the Commodity Credit Corporation to make loans at parity prices.

Now, I will admit this is not the proper approach to this problem, but considering the fact that the Members of the House did not have the privilege of appearing before this committee to present their views when the committee was considering this particular bill—the committee had heard most of us before and had decided not to have hearings—and considering the fact this is the only way we can have a direct vote in the House on the question of parity prices, I believe this is justified.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. In a moment, please.

If this amendment is adopted, it will throw the question into conference, and all of us know that is where this bill is going to be written. So if we will adopt the amendment requiring parity loans and then the Senate adopts a bill requiring parity prices, there is an expression from both Houses, and the conferees will be under obligation to consider parity prices.

Mr. ANDRESEN of Minnesota. I just want to ask the gentleman whether his amendment has stricken out the language requiring approval of the President and the Secretary of Agriculture.

Mr. PATMAN. Yes; and the amendment makes it compulsory.

Let me tell you the objection there will be to this. I know they will say that it will cost a lot of money, but if the conferees are as anxious for parity prices as others in Congress, they will have no trouble agreeing to it. We do not have an abler man in either body of Congress than MARVIN

JONES. [Applause.] We have an able committee, we will have able conferees and knowing the ability of these gentlemen, when we express ourselves in favor of parity prices, these gentlemen are going to be able to work out a plan that will give us parity prices, not for all, but just for domestic consumption only. Do not forget that. Is not that fair—just giving the American farmer the benefit of the American market at a fair price?

Name me one Member of this Congress who has not made the statement that he favors the American market for the American farmer. This is the only opportunity you have had or will have in this bill to vote for that proposal, and although it is not exactly as you would like to vote upon it, it is an expression from you that you favor parity prices. My good friend and colleague [Mr. JONES] made the statement that if we give parity prices for domestic consumption, what about the 18,000,000 bales that are held by cotton speculators? He did not use the word "speculators." Some of it is held by investors, some by speculators, some by mill owners. Very well. I ask the gentleman this question. Under this bill, if this has the effect that the chairman thinks it has, it will increase prices and in order to give the farmers next year an increased price for the 18,000,000 or 12,000,000 bales they will probably produce, we will have given those who already own 18,000,000 bales the same price increase.

They are entitled to the world price. They bought that cotton to sell it at the world price.

HELP SPECULATORS WHO HOLD 18,000,000 BALES THE SAME AS FARMERS WHO WILL WORK AND GROW COTTON

Furthermore, in order to help 200,000 farmers who are growing 5 bales of cotton each—that is, 1,000,000 bales—by giving them increased prices, this bill would also help the speculator who already owns 1,000,000 bales, and he will get the benefit of that increased price. So I say to you that it is right to have two prices—one price for the American producer who actually resides on the farm and is working on the farm for a livelihood, and we should give him the benefit of the American market. In my speech on yesterday I included a list of parity prices. It is on page 1048 of the CONGRESSIONAL RECORD.

WHO CREATES SURPLUS?

What are the farmers charged with? A serious crime. These 2- and 3- and 5-bale fellows who are scratching around to eke out an existence are charged with creating a surplus. Can you honestly say that the people who are producing cotton for a living up to the domestic market requirements are producing a surplus? No; they are not the ones who are producing a surplus. The ones producing the surplus are men who are growing cotton for speculation and profit, who are using tractors, who are using machines, who are driving families off these plantations. They are the ones against whom we should bring the indictment. We should not bring the indictment against the small cotton farmers. That is what we are doing in this bill unless we fix this bill in a way that we will give to each farm family the opportunity, the right, the privilege to grow enough cotton, if they actually produce it, to make an honest living.

Is there anything wrong about that? The average cotton farmer today makes \$200 a year, and many of them have large families. How do you expect them to live? You indict them in this bill, charging them with a serious crime, with the crime of creating a cotton surplus, and you expect to cut them down along with the man who grows 10,000 bales with machines, driving his tenants away. There is a difference, my friends. We should recognize that difference, and we should recognize it now by starting to give the two prices.

FIX PRICE FOR COAL

I want the distinguished chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], to answer this question. If it can be answered, he can do it because, as I said, he is one of the ablest men in the Nation today. We voted for a coal bill. There is surplus coal in this country, just as there is surplus cotton. This House voted for a bill that recognized the right of those who produce coal to make an honest living by obtaining a fair price for that part of the coal that is sold in the domestic

market. I am not objecting to it. Let us carry out the same principle for other people, the farmers, who are working just as hard as the coal miners and those engaged in the coal business. If you can allocate coal for domestic consumption, if you can tag it and say for that coal they shall receive a fair price and that it shall be unlawful for anyone to buy coal at a lower price, you can do exactly the same thing for cotton; and if you can say to the coal producer, "if you produce more coal than is needed, you must sell it in the export trade at the world price," you can say exactly the same thing to the cotton farmer.

The principle is exactly the same. If one is right, the other is right. Since we have already established it, we should carry it further for these people—the farmers who are making 5 cents an hour. Our chairman made a fine speech the other day, and no one can make a better one, but he placed it upon the theory that the farmer is injured by reason of the protective tariff. I agree with him. That is No. 1 discrimination which we should remove in this legislation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

DISCRIMINATION NO. 2

Mr. PATMAN. That is discrimination No. 1. Discrimination No. 2 is the excessive and discriminatory freight rates that this Congress is responsible for. Oh, you can fix freight rates that the farmer must pay on what he buys and what he sells and compel the American people to pay the price that will guarantee to the railroad owners a fair and just return; but when it comes to helping the farmer—no; we cannot do that; we cannot find any way in the world by which we can make the American consumer pay a price that will give the farmer a fair return!

If you give parity prices in this it will probably increase the price of a shirt 10 cents. If you give it on wheat it may increase the price of a loaf of bread one-tenth of a cent a loaf. Who objects to that? Raw materials enter into the price of the finished product in a very small way.

So let us here today adopt the principle and vote for it. It is the only time we have ever had an opportunity to give the American farmer the benefit of the American market and fair prices—prices at which he can make a living.

Thank you. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. Permission having been granted, my remarks are extended as follows:

PRESIDENT SAID INCREASE FARM PURCHASING POWER

On March 16, 1933, the President of the United States, in a message to Congress stated:

To the Congress:

At the same time that you and I are joining in emergency action to bring order to our banks, and to make our regular Federal expenditures balance our income, I deem it of equal importance to take other and simultaneous steps without waiting for a later meeting of the Congress. One of these is of definite constructive importance to our economic recovery.

It relates to agriculture and seeks to increase the purchasing power of our farmers and the consumption of articles manufactured in our industrial communities; and at the same time greatly to relieve the pressure of farm mortgages and to increase the asset value of farm loans made by our banking institutions.

... I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

PARITY PRICES DEMANDED BY ADMINISTRATION

In the CONGRESSIONAL RECORD of March 20, 1933, commencing at page 642 of the bound volumes, there is printed a radio address on the farm bill by the Honorable Henry A. Wallace, Secretary of Agriculture. In this radio address, Mr. Wallace stated:

Now for the things the new farm bill proposes to do.

Its basic purpose, first of all, is to increase the purchasing power of farmers. It is, by that token, farm relief, but it is also by the same token, national relief, for it is true that millions of urban unemployed will have a better chance of going back to work when farm purchasing power rises enough to buy the products of city factories.

The goal of the bill, in terms of price, is pre-war parity between the things the farmer sells and the things the farmer buys. Let me explain that. In the pre-war years, 1909 to 1914, wheat brought around 88 or 90 cents a bushel on the farm, cotton better than 12 cents a pound, and hogs better than 7 cents a pound. But at the same time, the prices of the things the farmer had to buy—his fertilizer, farm machinery, and the like—were on a comparable level. In general, these items bought by the farmer were a little lower than they are right now. But the prices the farmer got for his wheat and cotton and hogs were, in those pre-war days, more than twice as high as they are now. It is that gap that we want to bridge. And this bill provides the bridge.

GIVE FARMERS SQUARE DEAL

It will be noticed that the administration has been contending for parity prices for farm products. A parity price is placing the farmers on the basis of equality with industry. It is making the farmer's dollar worth as much to the farmer as the railroad owner's dollar is worth to the railroad owner. It is making the farmer's dollar worth as much to him as the laborer's dollar is worth to the laborer.

The administration caused to be passed the Agricultural Adjustment Act to give the farmers parity prices. The Agricultural Adjustment Act has been declared unconstitutional. In other words, the Supreme Court of the United States has burned the bridge over which the administration expected to go to give the farmers parity prices. The question is now, Shall we repair that bridge, reconstruct it to do exactly what the administration has promised the farmers all along? No one should object to the farmers having parity prices. It is absolutely right and fair that they receive them and the farmers will be discriminated against if they are not given.

WHO IS TO BLAME IF CONGRESS DOES NOT PASS A SATISFACTORY FARM BILL?

Congress is to blame if a satisfactory farm bill is not passed. The President and leaders in the administration for the past 5 years have advocated parity prices for farmers. The Democratic platform in 1932 had a provision, which stated:

The enactment of every constitutional measure that will aid the farmers to receive for their basic commodities prices in excess of cost.

In other words, the Democratic Party in 1932 pledged the farmers a price in excess of cost of production. Parity prices are not that high.

The Democratic platform in 1936 stated:

We have kept our pledge to agriculture to use all available means to raise farm income toward its pre-war purchasing power.

The platform in 1936 also had a provision in favor of a fair profit to the farmers.

CITIES DEPENDENT UPON FARMS

The President in his remarks at Bismarck, N. Dak., August 27, 1936, stated

It means we have got to have the cooperation of the people in the cities as well as the people on the farms. It is just as much their problem as it is the problem of the farmers themselves. Incidentally, in an agricultural country, there would not be any cities if there were not farms.

The President is exactly right. The farmers of America represent so much of the American market that all other classes and groups suffer along with them when their purchasing power is destroyed by low prices.

If the farmers are prosperous, the country is prosperous. If the farmers are forced to a starvation level, other classes and groups will eventually suffer along with them, although not so quickly or suddenly as the farmers suffer.

PROSPERITY DEPENDS ON COTTON FARMER

The President, in his speech at Laramie, Wyo., September 2, 1936, stated:

What happens to cattle in Texas and in North Dakota affects your prosperity here in Wyoming, and that is true not only of cattle in other parts of the country but of other crops. You are affected by what happens to corn and hogs in the Middle West.

It is a queer thought, but it is actually true, and if you will think it out you will see that I am right. In the same way, your prosperity is affected by what happens to the cotton farmer down South. If the cotton farmer gets pretty good prices and has good crops it means he and his family will buy more food. That is a simple illustration.

The President makes a very important suggestion when he says the farmer and his family will buy more if they get good prices. So this is not a problem affecting only the cotton farmer or the wheat farmer or any other farm group. It is a problem that seriously affects the people of the entire Nation. Who will buy the automobiles made in Michigan if the farmer's purchasing power is destroyed? Who will buy the farm machinery that is made in so many States in the Union if the farmer's purchasing power is destroyed? Who will buy the thousand and one other different commodities mentioned in every section of this Nation if the farmer is depressed through low prices?

\$400 ANNUAL INCOME DRAG ON PROSPERITY—FARMERS MAKE \$200

The President, in his address at Charlotte, N. C., September 10, 1936, states:

No man or woman, no family, can hope in any part of the country to attain security in a city on starvation wages any more than they can hope on a farm to attain security on starvation crop prices. I do not have to tell you who live in any of these Southern States, which have factories in all of them, that a family that tries to subsist on a total wage income of \$400 a year is just as much a drag on the prosperity of America as the farm family that seeks to subsist on a yearly cash income of a hundred dollars.

The President says in this speech that a family with a total wage income of \$400 a year is a drag on the prosperity of America. Farm families growing cotton earn about \$200 a year. Parity prices will give them about \$400 a year. Labor on the farm is 5 and 10 cents an hour. Farmers cannot pay more because prices they receive will not justify it.

I have quoted the President and the Democratic platform to let you know that the question of parity prices is not new; that the administration in power is pledged to give the farmer parity prices.

ARE FARMERS' FRIENDS BEING MISGUIDED?

I know that the farmers have some good friends in the House of Representatives who are voting against parity prices. The Members from cities will vote with the farm Members if the farm Members vote together, but when the farm Members are divided the city Members will be divided.

The President has left the kind of a bill up to Congress. He has made his recommendations in the past. If Congress does not pass a satisfactory bill we are to be blamed, not the President. If the friends of the farmers in the House are being misguided the administration is not the guilty party. The administration's position is clear and unmistakable. If a good farm bill is not passed, Representatives of farm districts are responsible.

Mr. DIES. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Chairman, I hope this amendment is agreed to. Many northern Members of this House have professed a very keen and lively interest in living wages for the industrial workers of the South and West. We have heard profuse expressions of sympathy expressed by some of our colleagues from the North in behalf of the wage earners in the South and West. I assume that they are sincere and that the charges which have been made that this sympathy is inspired by the fear of industrial competition and the desire to stifle industrial development in the South are unfounded. Now they have an opportunity to place themselves squarely on record as to whether or not they favor living wages on the farm the same as in the factory. Certainly no Member can take the inconsistent position that he believes it to be the true function of representative democracy to say that the workers in the factories of the South and West shall receive a living wage, and then say

he does not believe that the same Federal Government, under the same Constitution, should not assume the other burden of seeing that the workers in the field shall likewise receive a living wage. To be guilty of that inconsistency would be to place yourselves in the embarrassing position of saying, "Well, we are opposed to low industrial wages in the South because it gives southern industry competitive advantages over us—it is hurting us. Many of our factories and industries are moving to the South and we are alarmed. We will, therefore, force higher wages in the hopes that this will check the exodus of industries from the North to the South. But with reference to farm labor, that is a different question. We are not engaged in farming and we derive a benefit from low farm wages in the form of cheap prices for the raw materials and commodities that we buy. We are able to buy cheaply from the South and West and then sell the same raw material back to you in manufactured form for high prices."

So if we are to be consistent in the application of this new philosophy which we have proclaimed, then we must guarantee to the farmer that he, too, shall receive a living wage. If there is any distinction between the work of a man in the field and the work of a man in the factory, it is that the work in the field is more necessary and vital. The farmer is producing the vital necessities of life. Agriculture is the foundation upon which our whole economic system rests. If we are to make any distinction between the foundation and the superstructure, it should certainly be made in the interest of the foundation. But we are not asking for any preferential treatment. We only ask that you do for the farmer what you have already done and intend to continue to do for other classes in our economic life.

Mr. TRANSUE. Will the gentleman yield?

Mr. DIES. I have stated that I do not care to yield. I am sure the gentleman will favor my views on this, for he is also a proponent of living wages.

If we are going to make any distinction, we should make it in favor of the man who is producing an indispensable commodity. We can live without factories. We did it for a long time, but we cannot exist without farm labor and the products that come from the farm. Therefore those who wish to be consistent will not prate about increased prices or "where are you going to get the money." That has never been any obstacle to you in accomplishing your own objectives.

With reference to the wage and hour bill, we might propound the question, If you should pass a real wage and hour bill that will actually increase low-paid wages and decrease long hours, as you have lead many industrial workers to believe, where will the billions of dollars that will be necessitated by reason of governmental increase in wages come from? The answer is, of course, that it will come from the consumers of America. Likewise the increase in farm products will come from the consumers of America. So I hope that those who believe in the philosophy of living wages through governmental decree will prove themselves consistent and sincere by voting in favor of this amendment to insure to the farmers and farm labor of America a living wage. It has been a long time since the farmers of this country have received a living wage. At present the cotton farmer is getting 8 cents an hour for his labor. It has been shown that it takes an hour to produce a pound of cotton. According to the Department of Agriculture, the cotton farmer should receive 16.5 cents for each pound of cotton if he is to be placed upon a parity with industry. But today he is receiving less than one-half of what is considered a living wage for him.

Certainly parity prices have this justification: It is a fulfillment of promises that we have repeatedly made in every campaign. We have said from the time William Jennings Bryan went over the country crusading on down to the present time that we intended to make the tariff function for the farmers the same as for industry. We have shown that on account of the tariff the farmer is compelled to buy in a closed or noncompetitive market and to sell in an open market. He gets the world price for his products and pays an American price for the products of industry. The same cultivator made by the same

concern sells for twice as much in the United States as in Mexico or other foreign countries. The farmer pays a subsidy to industry every time he purchases a manufactured product. This has been going on for years. There is no way to make the tariff function for the farmers unless we are prepared to recognize that that portion of farm products domestically consumed shall receive a parity price.

In the Democratic platform of 1932 we promised—

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

On September 14, 1932, President Roosevelt enunciated a six-point farm program. First he said:

The plan must provide for the production of staple surplus commodities such as wheat, cotton, corn (in the form of hog), and tobacco, a tariff benefit over world prices which is equivalent to the benefit given by the tariff to industrial products. This differential benefit must be so applied that the increase in farm income, purchasing and debt-paying power will not stimulate further production.

The fourth plank is as follows:

It must make use of existing agencies, and so far as possible by decentralization in its administration so that the chief responsibility for its operation will rest with the locality rather than with newly created bureaucratic machinery in Washington.

The sixth plank is as follows:

The plan must be insofar as possible voluntary. I like the idea that the plan should not be put into operation unless it has the support of a reasonable proportion of the producers of the exportable commodities to which it is applied. It must be so organized that the benefit will go to the man who participates.

The Democratic platform of 1936 said:

We have taken the farmers off the road to ruin. We have kept our pledge to agriculture to use all available means to raise farm income toward its pre-war purchasing power. The farmer is no longer suffering from 15-cent corn, 3-cent hogs, 2½-cent beef at the farm, 5-cent wool, 30-cent wheat, 5-cent cotton, and 3-cent sugar. * * * We will continue to improve the soil conservation and domestic allotment with payments to farmers. * * * The farmer has been returned to the road to freedom and prosperity; we will keep him on that road.

On October 24, 1932, the President said:

A basic purpose of my farm program is to raise prices on certain agricultural products by some form of what the farmers of this country know as a tariff benefit.

On September 30, 1936, the President said:

No man or woman, no farmer can hope in any part of the country to attain security in a city on starvation wages any more than they can hope on a farm to attain security on starvation crop prices.

Mr. Chairman, I do not think that anyone will deny that the President wants the farmers to receive a living wage and believes that the only way he can do this is to secure parity prices for his products. In view of the President's known position, it is strange to see Democrats in Congress voting against parity prices. This amendment merely carries out the promise of the Democratic Party and the assurances that the President has given to the farmers of the Nation.

I am frank to say that I agree with many of my colleagues that this bill does not offer a great deal of hope for the farmers in 1938. It contains some improvements over the present farm program. For the first time we have obtained concrete protection for the little farmers. We have secured an exemption of three bales from any tax and from any allotment. We have secured other concessions in behalf of the little farmers which have heretofore been denied to them, but the bill is lacking in one essential respect. It fails to guarantee to the farmers parity prices for 1938 and subsequent years. Of course, the farmer will receive some benefits through the loan provision and the soil-conservation payments, but unless something occurs, such as drought, floods, or war, which we do not now anticipate, I fear that the price of farm commodities will be too low next year to give the farmer a living wage. Are you going back to your farm constituents when cotton is selling for 7 or 8 cents a pound, and when other farm products are proportionately low, and say, "Well, boys, I could not do anything for you because it

cost too much money. I could not vote for an amendment to guarantee you parity prices because I did not know where to get the money. But I did do this: Although I voted against a living wage for the farmers in the form of parity prices, I did vote for other measures to increase the price of everything that the farmer must buy. I helped fix it so that the cities would have a \$16,000,000,000 housing program, but when it came to the farmers we said we could not get the money to finance the honest performance of a political promise."

Have we not been saying repeatedly to the farmer that we were going to give him parity prices? How in the world can you give it to him unless you are prepared to spend a lot of money to do it? Some may think you can do it by a reduction program. How are you going to do it? Suppose you do reduce cotton production from 18,000,000 to 12,000,000 bales, what is the inevitable consequence? All the other cotton-producing countries will produce the amount that you fail to produce. That has been demonstrated repeatedly.

While I am a strong believer in the soil-conservation program and I do not believe that the land should be impoverished or injured in the production of surplus products, nevertheless, I do not believe that you can establish parity prices through curtailed production unless you are willing to produce no more than can be consumed in the United States. As long as you produce more than you need for the domestic markets, the price of the whole crop will be determined by the price you get for the exportable surplus. I cannot believe in the doctrine of scarcity. For many decades the great problem was one of production. Mankind could not produce enough to bring prosperity. He struggled through the ages to improve his productive ability and finally he succeeded. Our trouble now is one of distribution and we must devote the same thought to the solution of the distribution problem that we formerly devoted to the production problem. But it is unthinkable to me that we can ever solve the problem by saying that in a land where there is want and hunger, where many people are ill-fed and ill-clothed, the only hope and the only plan we can offer is to stifle the productive genius of the Nation and to create wealth by destroying wealth. As long as there are people who are hungry and insufficiently clothed there is no such thing as overproduction. However, if two-thirds of the farmers are willing to resort to this desperate expedient in an effort to secure better prices, I am willing to give them that opportunity, especially in view of the fact that the little farmers have been exempted. But I do want to say to them, as I have said many times, that in my humble judgment they can never permanently solve their problems by such a method, which is contrary to common sense and sound economic principles. It seems to me that we should be frank and honest with the farmers. We should not humbug them into believing that we are going to help them when Congress does not intend to do any such thing. If we are going to fulfill our promises to them, then let us take immediate steps to insure parity prices. Any other measure falls far short of our promise. If we can give to the industrial worker living wages on the same principle, we can give to the farm worker a living wage. For years we have been telling him that we are going to give him parity prices, but now we are told by the Committee on Agriculture that the time is not ripe and that under present circumstances we cannot do it.

They tell us that at some distant time the farmer will get parity prices but that now is not the proper time. They have been telling the farmer this year in and year out. There is nothing unreasonable about parity prices. It is simply a matter of giving to the farmer the same purchasing power as is possessed by industry. It is an equalization of the tariff burden; a reversed tariff, if you please. It is doing for the farmer what you have already done for protected industries. It is doing for the farmer what you profess to do in the wage and hour bill, although the pending wage and hour bill, as now written, will not actually do any more to help the industrial workers than this farm bill will do to help the farmers.

Mr. PATMAN. Mr. Chairman, if the gentleman will yield, the parity prices appear at page 1048 of the RECORD.

Mr. DIES. I thank the gentleman.

What I am pleading for is that we should be absolutely honest and frank with the farmer. If we are not going to give him parity prices, then say so. But let us not humbug him by saying that although we favor parity prices and are working in that direction, the time is not now ripe for it. The farmer has had enough of alibis and excuses. He cannot understand why the same Congress that professes to have the power to insure a living wage to industrial workers cannot do the same thing for the farmer. He cannot understand why some Members of Congress from farm areas join with Congressmen from industrial areas to defeat a really effective program. He cannot understand how Congress can enable the producers of coal to fix the price of their product and cannot do the same thing for him. To you Members of Congress who come from the South and West may I suggest that you read the book recently written by Walter Prescott Webb entitled "Divided We Stand." If you will read this book, you will find that a large part of the wealth of the South and West has been drained by the North.

According to this very able book, the North, as defined in this book, owns 80 or 90 percent of the wealth in the United States. It says that there are 200 corporations that own nearly one-fourth of the wealth of America; that they exercise an increasing control over far more than they actually own. Of the 200 corporations 180 are chartered, operated, and have their home offices in the North. The North furnishes between 90 and 95 percent of the national advertising, while the South and West divide the rest about equally. Citizens of the United States have \$105,000,000,000 of life insurance on the books. Of this amount 95 percent is in the hands of northern companies. There are 14 companies with over a billion dollars' worth of business; all of these are in the North. Seventy-five companies have over two hundred million each of insurance and altogether hold ninety-three billions of the one hundred and five billions in force. For every dollar of insurance income that went to the South, \$38.44 went to the North, and for every dollar going to the West \$68.64 went to the North. Where the South made a gain of \$1 the North gained \$53; where the West made a gain of \$1 the North made a gain of \$128.50. The South and the West furnish 30 percent of the insurance in America. They hold only 5 percent. This means that they send \$5 of their insurance money North for each \$1 they keep at home. In demand deposits—that is, checking accounts—the North has a little less than nine times as many dollars as the South and nearly eight times as many dollars as the West. To put the matter another way, less than three-fifths of the people living in one-fifth of the country have nearly four-fifths of the dollars in American checking accounts. The North has over \$5,000,000,000 more time deposits than demand, and the West has slightly less than \$1,000,000,000 more. The South's time deposits are less than its checking accounts by \$272,000,000. For each southern dollar the North has fourteen; for each western dollar the North has nearly seven. Corporation stock is closely held in the North, and out of each \$100 of dividends the North receives \$90.62, the South \$5.10, and the West \$4.27. Let us take those people with an income ranging from forty to fifty thousand dollars a year. In 1933, 4,156 people were in this bracket. Of these, 3,537 lived in the North, 245 in the South, and 374 in the West.

In natural resources the South and West have a combined area of land of approximately 79 percent as against 21 in the North. If the acres were of equal value, the South and the West would have about four times as much land wealth as the North. By the same token they would have the same preponderance of the products of the land, grass, forests, minerals—about 80 percent of the total natural resources. The South and West have within their boundaries most of the natural wealth of America. They comprise nearly 80 percent of the area, they produce all of the gold and silver, 95 percent of the oil, 45 percent of the coal, 90 percent of the lumber, and 63 percent of the agricultural dollars. But

in spite of this, the North has been able to gather to itself practically all of the economic fruits of industry and labor.

I have used the language of the author in most instances, and urge my colleagues from the South and West to read this illuminating book so that they may realize that we in the South and West have a common cause to see that our sections shall receive economic justice. But we can never do this so long as some of our southern and western Members vote for measures that further strengthen the grip of the North upon our industrial and financial life and against measures that will bring justice to our own producers. [Applause.]

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection? There was no objection.

Mr. JONES. Mr. Chairman, I dislike very much to find myself in disagreement with two friends of whom I think as much as I do of the gentleman who has just preceded me.

Mr. Chairman, I think the amendment just adopted for corn was a mistake from the standpoint of corn, although I concede that there is some reason for a little different treatment as to corn. But it would be infinitely worse from the cotton grower's viewpoint. Let us analyze the situation just a little. This amendment says that there shall be a compulsory loan of not less than 16.6 cents per pound on 7,000,000 bales of cotton—I am using round numbers; that is the part that is domestically consumed. A loan of 16.6 cents per pound on 7,000,000 bales of cotton means \$560,000,000. What would you have? There is no limitation, no control. The Government would make the loan of 16.6 per pound this year, \$560,000,000. There is a supply of American cotton including the carry-over, or there will be at the end of this year, of 24,000,000 bales. Not one pound of this cotton on which loans would be made could be sold; of course not. He talks about the speculators. They, of course, would sell their cotton. The rest of it would be held and the Government would have bought in addition to what it has now 7,000,000 bales of cotton. Do you want to do that? Do you think that would help the cotton grower? You fellows who live in the cities, you fellows who live in the other agricultural areas, do you not know that when we on the farm represent only 30 percent of the American people that we could not come in next fall and ask you to carry on the great program we have been working out for all these years? Let us not do a vain, a foolish thing; and that is what this is.

It is embarrassing, of course, to have to oppose a loan such as this with what it would do for my people temporarily, but I do not hesitate for a moment. The gentleman refers to the big man. That question is not involved in this problem. This loan would be made on the domestic part of the big as well as the little man's production, so that question is out of the window. He refers to coal. As I understand the situation in regard to coal, 95 percent of it goes into interstate commerce. It is not a commodity that goes abroad that has to be divided between foreign and domestic markets. Then, too, the coal-control measure has not been passed on by the Supreme Court. So it is an entirely different picture. They provide minimum regional prices to be prescribed. It is an entirely different commodity.

The question of price fixing, however, is not involved here. This is just a price-pegging loan, that is all, a direct invitation to a farm board doubled up and hog-tied. Surely a Congress of real Americans is not going to vote, regardless of whether you believe in the philosophy of this bill or not, to do a thing of this kind. We have an authorization, a direction, to use part of money now available, not less than \$125,000,000 to expand markets.

There are many features to this bill. Freight rates have been referred to, and that is included in the bill. We are tackling that feature of it and I admit there is discrimination in freight rates against the farmer. But this sort of

an amendment would be absolutely fatal. We may be able to work out the other amendment, although I doubt it, but certainly not this one.

Mr. FULMER. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from South Carolina.

Mr. FULMER. May I state to my colleague there is quite a large lobby here in Washington now doing anything possible in the way of pressing this domestic allotment plan, which is advocated by the large cotton exporters, every fertilizer dealer, and every other interest that does not produce cotton for the purpose of securing bales, because they make their profit out of bales and not out of the price of cotton. I have a telegram in my office from the gentleman's State to prove my statement.

Mr. JONES. I have not very much time to talk about this.

Mr. PATMAN. Under this provision you can have compulsory control if you want to or you can have unlimited production.

Mr. JONES. I am talking about this particular amendment, and that is the difficulty. In other words, the gentleman confesses that his amendment is absolutely indefensible unless some other provision is linked to it, and he favors the amendment in the belief the committee will be driven to a far-reaching, absolute price-fixing measure. That is the whole implication.

I ask you to stop and think before you put a piecemeal proposition into a measure that of necessity must be complicated and thought out carefully. Stop and think before you take a measure that has required weeks of thought and consideration and before you agree to an amendment that can mean nothing else but the wrecking of the farm bill for this session and possibly for the next session.

Mr. Chairman, I am anxious for a solution of the problem and I think we are working gradually toward a much finer approach. I want to see the farmers sell all the commodities they can, both at home and abroad. I believe the farmers' income next year will be materially greater if this measure is passed than it would be if no measure at all is passed. I think it is a great step forward. I ask you to consider the different things we have put in the bill that will tend to accomplish that result and, like good Americans and representative men, vote down an amendment of this kind.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I was surprised and could not believe my ears that such demagoguery as was set forth in arguments on behalf of this amendment could actually happen upon the floor of this House. [Laughter and applause.]

I may say to the gentleman from Texas that I have been a member of the Committee on Agriculture since I became a Member of Congress and we have honestly studied the farm program. I may say to him further that the Committee on Agriculture has brought a bill to the floor of the House and it did not have to be discharged by a petition to bring it here either. [Applause.] We are proud of our action as a committee.

When you talk about prices to the farmer and talk about wages paid to labor, you must bear in mind what will happen to the consumer when the housewife walks into the store and is faced with 90 cents a pound for boiled ham, 65- to 70-cent beefsteak, and pork chops at 50 to 60 cents a pound. Now this Congress is asked to pile up an additional burden on the already overburdened consumer. I think it is nothing more nor less than demagoguery and sectionalism to ask for the adoption of this amendment.

Mr. BUCKLER of Minnesota. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Minnesota.

Mr. BUCKLER of Minnesota. Does the gentleman expect the farmers to produce this food for nothing, as they have been doing all these years? [Applause.]

Mr. HOOK. I do not, and I expect to give the farmers a fair and honest price. The bill we have submitted in its original state will do that. If the House would see fit to follow the recommendations of the Committee on Agricul-

ture the farmers would receive the price to which they are entitled. Let me warn you, there are farm organizations going around in the different agricultural districts hawking about parity prices and they are doing it for nothing more nor less than membership dues. If those organizations would work toward parity prices by cooperating with the Committee on Agriculture the farmer would be far better off.

Mr. Chairman, may I say further, as long as you have monopoly in industry to the extent it exists today and lack of organization as far as the farmers are concerned, you cannot talk price fixing. When we eliminate the monopoly evil that exists in industry to the extent it exists today we will be able to help the farmer on to prosperity and we will bring about real parity in this Nation.

The trouble is that the spread between the producer and consumer is so great that the farmer is farmed and the consumer is consumed. The speculator in Wall Street has no part in the economic set-up of this Nation, and I am wondering if those now in favor of this amendment will favor a bill to curb that speculation or wipe it out entirely. These speculators of Wall Street in futures are no more nor less than high-class bucket shops. I wonder where some of the demagogues would stand then? I hope this committee will vote down the amendment as proposed here at this time. I fully appreciate that the gentleman from Minnesota [Mr. BUCKLER] is one of the finest Members and know he is doing everything he can to help the farmer. I assure him that I join him in his purpose and am trying to bring about the very thing he wants, but I do not think that this amendment will help him. In fact, I know that it will injure him, because it will wreck the whole program.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 50 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 7 minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to proceed for 7 minutes. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Chairman, I was very much surprised to hear one distinguished gentleman question the Americanism of Members of Congress who are in favor of this measure to give the cotton farmers a parity price. I was more surprised to hear the distinguished gentleman from Michigan [Mr. Hook] brand as demagogues those Members of Congress who advocate putting cotton growers on a parity with industrial workers throughout the United States.

Mr. HOFFMAN. Will the gentleman yield?

Mr. RANKIN. I cannot yield. I meant the other gentleman from Michigan [Mr. Hook].

Mr. HOFFMAN. I will give the gentleman my time.

Mr. RANKIN. The gentleman is so kind and generous, I will have to yield to him.

Mr. HOFFMAN. I want to ask the gentleman whether the monopoly to which the gentleman referred or the demagoguery to which he referred prevented the gentleman from the northern peninsula or myself from talking?

Mr. RANKIN. Not yet. The question of demagoguery has never prevented the gentleman from Michigan [Mr. Hook] from speaking on any proposition.

Mr. Chairman, may I say that this country is in a serious condition, as a result of the plight of the cotton farmers who are compelled to sell their cotton in the open markets of the world and buy their goods in a protected market, and pay exorbitant profits to the big manufacturers of the Nation. You cannot have a prosperous country without a prosperous agriculture. Conditions are going to grow worse unless the farmers' purchasing power is restored, which can only be done by giving him a parity price for what he has to sell.

Industries are closing throughout the land and they are going to continue to close. Conditions are going to continue to get worse until the prices of cotton, wheat, corn, and other agricultural commodities come back. To restore prosperity to the industries of this country with the cotton growers going into bankruptcy is just as impossible, to use a Biblical expression, as it would be to "bind the sweet influence of Pleiades, or loose the bands of Orion." It cannot be done. This amendment proposes to put the cotton farmers on a parity with industry, and that is all; not a complete parity, but merely to bring them up to the parity which existed during the Taft administration. I would make the parity complete. Then the farmers would enjoy real prosperity.

The gentleman from Michigan [Mr. Hook] states that would cost the men in industry in his State more for what they would buy. What a pity! The highest-paid laborers in the world are in the automobile industry in the State of Michigan, and they get 50 cents to \$2.50 an hour. Would it not be pathetic for them to have to pay a little more for the farm commodities they buy, when this parity price would give the cotton growers of this country only 16½ cents an hour? They now make only about 8 cents an hour.

No, Mr. Chairman, this is one time we have started out on the right track. The only way you will ever wipe out these differences and bring back prosperity to the American farmer, and especially the cotton farmer, and restore to him his buying power, which will create a market for the things your industrialists have to sell, is by bringing the farmer up to a parity with industry, by tying them together and giving him some of the benefits of the tariff which you have been collecting from him all these years. This will do it. We advocated a measure of this kind called the debenture plan, to try to give him parity for cotton, wheat, corn, and other farm products. This will do it at least for the cotton used in the United States. Then he can raise as much cotton as he pleases to ship abroad, unless the restrictive features of this bill are retained.

As the gentleman from Texas [Mr. Patman] has stated, we know this bill is not perfect, but if this amendment is adopted it will go to conference, and the friends of the cotton farmers in the conference, including the Members of this distinguished committee, can then iron it out and bring in something that will have the desired effect.

The gentleman from Michigan [Mr. Hook] calls us demagogues, and he rolls his head back and looks at the clouds and says, "We did not have to petition this bill out." What does he mean by that? He has reference to the wage and hour bill, which he helped to petition out, a bill to raise minimum wages in industry to 40 cents an hour, while leaving the wages of the cotton farmer at only 6 and 8 cents an hour. When we come in with a measure which would give the cotton farmer 16½ cents an hour for his work in raising the cotton consumed in America alone, making a start, if you please, to wipe out the differentials which have driven the cotton farmer to the present extremity and caused the wheat farmer and the corn farmer to follow, why, the gentleman from Michigan arrogates unto himself the prerogative of standing up on the floor and calling us demagogues. Mr. Chairman, the gentleman from Michigan may know something about some things, but he apparently knows nothing of the plight of the farmers of this country.

I submit this amendment will not hurt the bill. If the conferees should not bring out this or a similar amendment, you will not be any the worse off. If the conferees should agree to it, of course they will adjust the conference report to make it completely workable. Then you will have done more for the cotton farmers of America than you have done in all this legislation which you have passed, and repealed, for the last 10 years. I appeal to you, because I know you are going to have eternal bankruptcy in this country unless you restore the purchasing power of the American farmers—I appeal to you men from the manufacturing States to give us a living price for cotton, restore the prosperity of the cotton farmers, and then we will not want your industries.

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Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. May I say to the gentleman that as far as I know, practically every dairyman is in favor of giving the cotton farmers the protection they ask under this amendment. We are going to vote for the amendment, but we want you to help us and give us the same protection, that is all.

Mr. RANKIN. When you give us as much prosperity as the automobile manufacturers have in Michigan, and in other manufacturing sections, we will not try to take your industries.

Mr. BOILEAU. As far as I am concerned, we will do all we can to make your section prosperous, and I have been doing all I can.

Mr. RANKIN. Yes; the gentleman has been trying to kill our dairying industry in the South, as is shown by the vicious Boileau amendment to this bill. Now he wants to pass the so-called wage and hour bill to further burden the cotton farmers.

Mr. BOILEAU. May I say the gentleman from Michigan also opposed our amendment.

Mr. RANKIN. He opposes anything that will do the farmer any good, if I understand him correctly.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I will yield for a question.

Mr. HOOK. I want to thank the gentleman for his remarks on wages, because we do not need the wage and hour bill.

Mr. RANKIN. I am glad to hear that. No; the gentleman does not need it. His people are prosperous, but he does not want our people in the South to be prosperous.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 1 more minute. The gentleman from Michigan [Mr. Hoffman] agreed to give me his time.

Mr. HOFFMAN. I will give the gentleman my time, Mr. Chairman.

Mr. PATMAN. Mr. Chairman, I ask that the gentleman from Mississippi be permitted to use the time of the gentleman from Michigan [Mr. Hoffman].

The CHAIRMAN. The Chair will recognize the gentleman from Mississippi for 3 additional minutes, and will not recognize the gentleman from Michigan [Mr. Hoffman].

Mr. RANKIN. I thank the gentleman from Michigan.

May I say to you gentlemen from the Northeast who are trying to pass the so-called wage and hour bill, and who admit freely among yourselves and to us when we are outside of this chamber that you are doing it in order to kill the growth of industry in the South, let me say to you that if you will give us a decent price for cotton, corn, wheat, and other agricultural products, stop robbing us with tariffs and discriminatory freight rates, then you will not lose your industries. I would rather live in a prosperous cotton country than anywhere else on earth. You give us a parity price for cotton, make our farmers prosperous, and we will not want your industries and all the trouble you have with them. Give the wheat and corn growers a parity price for wheat and for corn and they will not try to take your industries.

Mr. Chairman, I am not criticizing the Committee on Agriculture. The members of that committee have done the best they could under the circumstances. But I dislike to hear such a statement as made by the gentleman from Michigan [Mr. Hook], from a man who admits that his people are already prosperous. Of course they are prosperous. The automobile industry is the most prosperous business in the world today outside of high financing. I hate to hear him call us demagogues because we are trying to help people who are threatened with bankruptcy because of the depressed price of their commodities.

You may pass a law to raise wages to \$5 an hour if you want to. You may raise them to any other height, but they will not apply and such a law will not help. Already the walkout has started. Why? Because that great consuming section of the country known as the South is losing its buying power through the depressed price of cotton.

Put this provision in the bill. If it is not exactly what we need, the Senate conferees and the House conferees can correct it. Put this provision in the bill and for one time give our cotton farmers a decent break and enable them to live, pay their debts and their taxes, and enjoy a reasonable measure of prosperity, and then they will not want to take your industries away from you.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. WILCOX. I would like to ask the gentleman if he knows what is the average income of the cotton farmer of the South?

Mr. RANKIN. I know what he makes an hour for his work. Today he is getting less than 8 cents an hour for his work on the farm, and let me tell you, gentlemen, that the cotton farmer works. [Applause.]

Mr. CUMMINGS. Mr. Chairman, I am wondering if the people who are advocating parity price really believe in it and really mean it or if they are simply talking for home consumption.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CUMMINGS. No; I will not yield.

Mr. PATMAN. What about your sugar? You have a parity price on that.

Mr. CUMMINGS. We have not parity price or anything like parity price.

Mr. PATMAN. You voted for it.

Mr. CUMMINGS. We never asked it, and we are paying it all ourselves. Now, keep still. You have had time enough.

It is true that if the price on corn was fixed at 85 cents a bushel it would cost the taxpayers \$1,700,000,000 to pay the parity price on 2,000,000,000 bushels, and there is a production of 2,500,000,000 bushels. If you made a loan of 80 cents a bushel on corn, how many men do you think would feed their corn? Not 1 in 50. The farmer would just put it in the granary and take the 85 cents of the taxpayer's money and grow another crop and sell it. Fifteen dollars for hay at a parity price would cost at least from five to seven billion dollars.

I am inclined to give these gentlemen credit for having more intelligence than to think for a moment they could get it. They know that if this bill went to the President with such a provision, it would be vetoed at once, and it ought to be. There is no use in trying to get something that you cannot have over a period of years. What is the use of trying to get something for a year and then lose it?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. I yield.

Mr. COOLEY. If this amendment were adopted, what would it cost to finance this farm program, in the gentleman's opinion?

Mr. CUMMINGS. I think it would cost from five to seven billion dollars.

Mr. COOLEY. Has any gentleman who has spoken for the amendment indicated the cost of the bill in the event the amendment were adopted?

Mr. CUMMINGS. No; they have not said a word about that. I do not think they have thought about it, and I do not believe they want to think about it.

Mr. Chairman, this debate has reminded me of a series of revival meetings I attended when I was a kid. They had a very eloquent preacher who had long, black hair, and about every 15 or 20 minutes after he got warmed up he would grab his hair with his left hand and hold his right hand high to heaven and say, "O God, dear God, what must I do to be saved?" My wife, the other evening, when I went home, asked me, "What are you doing down there?" and I said, "Mama, they are reminding me most of the time of those revival meetings I attended. It seems to me the big question now is, 'O voters, dear voters, what must I do to be saved?'" [Laughter and applause.]

Mr. CARLSON. Mr. Chairman, I am going to use the time that I have to bring to the attention of the House a message which I have just received from Mr. John Vesecky,

president of the National Farmers Union. I think this will be interesting in view of the pending discussion, as it shows the sentiments of one of the national farm leaders. Mr. Vesecky is a farmer and for many years has been an outstanding advocate of cost of production or parity prices for agriculture. He understands the agricultural problem, and the National Farmers Union is fortunate to secure his services at present. The telegram is from Salina, Kans., and is as follows:

SALINA, KANS., December 8, 1937.

HON. FRANK CARLSON,

House of Representatives, Washington, D. C.:

Neither committee farm bill provides sufficient assurance of parity prices nor parity income. Suggest provision be added setting minimum price on domestic consumption at parity or not less than 10 percent below parity whenever marketing quotas are declared. Maximum price 10 percent above parity could also be set.

JOHN VESECKY,

President, National Farmers' Union.

We are concerned about farm legislation. There is no doubt in my mind but what we want to enact legislation that will be beneficial to agriculture. The House Committee on Agriculture has worked hard and is entitled to much commendation. I have been going along with it, and I think what we are going to do is to pass the bill, go home, and next year come back with this same problem. I do not believe this is legislation that will be permanent legislation as it will not bring the relief that farmers are entitled to. This afternoon we have talked about corn and cotton. Those of us from the great wheat-producing sections are fearful that with another large crop we will again be faced with ruinously low prices. In my opinion the Agricultural Committee should begin at once to work out a plan that will furnish farmers parity prices on the percentage of the farm products domestically consumed. I sincerely hope that the gentlemen of the House will keep in mind the views of the National Farmers' Union in respect to parity prices. The farmers want parity prices and we think they are entitled to it. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CASE of South Dakota. Mr. Chairman, if I may have the attention of the chairman of the committee, I have asked for this time simply to ask a question. Under the bill as it is written is it the gentleman's understanding that the Secretary will make loans on rye and barley as well as on the commodities specified in the bill?

Mr. JONES. The Commodity Credit Corporation is authorized to make loans and it may make loans on any farm commodity where storage provision can be made.

Mr. CASE of South Dakota. Is that true under existing law or would it be true under this amendment?

Mr. JONES. That is true under existing law except that existing law is temporary and this undertakes to make it a permanent provision.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. GREEN. Mr. Chairman, it seems to me that this is the wisest amendment that has been offered to this bill. It is the fairest amendment. It is one which will come nearer giving farm relief to the cotton growers of the country than any other amendment. I hope the Committee will also agree, if we adopt this amendment, to a similar amendment on tobacco and the other farm commodities embraced within the bill. It seems to me this bill without an amendment of this nature is nothing in the world but an idle gesture—to make stronger a few favored districts which are benefited by this bill. You will never have farm relief in this Nation until you establish a purchasing power in the hands of the farmers of the Nation, and never will you have industrial prosperity until this condition obtains. Never will you have these two conditions until you give a farm relief measure which applies to every section and every crop on a parity. You cannot force a wage and hour bill upon the American people and bring prosperity unless you get something in return for the farm districts that pay for the wage and hour prosperity; they must have parity in purchasing power.

The wage and hour bill is designed to help industry in the East and to continue to impoverish the south section of our country. I refuse to subscribe to such a warped philosophy of economy in our great Nation. We have more than 30,000,000 people on the farms and more than 30,000,000 people in industry.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am sorry I have not time to yield. And until you carry prosperity alike to that 60 to 70 percent of our population you will not have an evenly distributed economy of prosperity.

In my opinion, the greater problem which now confronts our farm and fruit producers of America is underconsumption rather than overproduction; also is the problem of economical, adequate, and regional distribution. There is too much padding of the price commodities between the time it leaves the farmer's hand and the back or table of the consumer.

During the past 12 months in my home town corn sold for about \$2.75 per 100 pounds, or about \$2 a bushel. The man who produced this corn probably received less than 60 cents per bushel for it. The most of my colleagues today have on shirts made from cotton. I doubt that the producer of the cotton in your shirt received for it more than 10 cents or 12 cents. Out of this 10 or 12 cents it probably cost him 95 percent of that amount to produce it. He probably realized 1 or 2 cents' profit above the cost of production out of the shirt which you are wearing today. You paid, probably, about \$2 for the shirt.

You will, at almost any hotel in America, pay 15 cents to 20 cents for half of one grapefruit which brought the Florida grower who produced it probably one-half to 1 cent. Of this amount which he received possibly 90 percent, or in some instances 150 percent, represented his cost of production. What we need in America is better methods of distributing farm and grove products, also an elimination of the padding of costs which intervenes between the producer and the ultimate consumer. If corn were sold to the ultimate consumer for even 100 percent more than the actual producer received, then there would be a demand in the market for all of the corn produced in America. This same thing obtains with cotton, with grapefruit, oranges, rice, tobacco, wheat, and practically every farm-grown commodity in America.

Suppose in the case of the grapefruit, which I have just mentioned, the producer would have received 5 cents for the grapefruit, or 2½ cents for the half which you ate this morning for breakfast and for which you gave 20 cents. Would not that leave adequate profit for the handlers intervening to receive from this commodity? Suppose the farmer who made the cotton which you are now wearing in your shirt had received 20 cents for that cotton. Do you not believe \$1.80 is an adequate amount for those intervening who handled this cotton from production to consumption? Apply the same thing to all other farm commodities. If an arrangement could be made through the wisdom of our Agricultural Committee of the House whereby this intervening surplus and unnecessary cost can be reduced, then the purchasing market in America would greedily consume all farm products that America is capable of making.

There are millions in our country who do not have grapefruit once a week; who do not have one-tenth enough cotton garments or wool garments to wear or shoes to go on their feet; who do not have one-half of the bread they could eat or one-tenth of the cream of wheat which they need; who do not have a quart of milk once a month and who have not seen a pound of butter in 30 days; also who do not have rice once in 6 months and with whom sugar, corn cereals, cream, cheese, and cigars are luxuries of which they can only dream.

My colleagues, this is our problem rather than undertaking to supersede nature and the laws of nature and the fundamental laws of supply and demand. There are enough hungry mouths in America today to eat every apple, orange, pound of flour, pound of rice and corn that can possibly be made in our country. There are also enough people in America without adequate bedding and clothing who could within 60 days well utilize every pound of cotton in America and not at all be overclad or overcovered in their slumbers.

Under the provisions of this bill the basic agricultural commodities, some of them actual necessities of life, will be frozen in a few favored States of the Union. The production of these commodities will not be able to migrate to the various sections of our country where the population needs them. They will not be able to retreat from the unfavored and rocky hillsides of some of our present producing areas to fertile and more favored areas in other States and in other sections of the producing States. My friends, this freezing or attaching and localizing production of our essentials of life, contrary to soil conditions, climatic conditions, and the wants of our local people in local areas is undoubtedly contrary to the best interest of the American people.

The same philosophy which is embraced in this farm bill in its present form is, in my opinion, contained in the Black-Connelly wage-hour bill. This bill, it appears to me, if enacted into law, will freeze or attach existing industries in America in their existing localities. It will prohibit their migration to other and more favored areas of the United States. It will prevent local industries springing up in other parts of the country through the dire necessity of such local community. It may obviously destroy the power of our labor unions and labor groups. When the Government fixes by law wages and hours, then the usefulness of our labor groups in their field of bargaining collectively for better conditions for them is lost. I cannot vote for such philosophies.

We must have better conditions in America for the farmers and laborers of our Nation. They must have added purchasing power, and with them the comforts and luxuries of life must become more common and more plentiful than as now, with the bare necessities of life. No nation can thrive and prosper with some 20 percent of its population existing on the bare necessities of life and deprived of the comforts and luxuries of life. In America we have an abundance of not only the necessities of life but also of the comforts and luxuries of life. In order to approach the goal of ideal American citizenship, these luxuries and comforts must come within reach of, and must be visited to, the homes of every American citizen.

The pending farm bill is not equitable and cannot bring about this ideal American citizenship, even insofar as the few beneficiaries are concerned. I have confidence in the Members of our House Agriculture Committee and believe that if this bill can be recommitted to this committee, they can bring to the House a bill which will more nearly bring about the things which I mention. I cannot bring myself to vote for such legislation as the present substance of this farm bill and of the existing wage-hour bill. I cannot vote to discharge the Rules Committee from the wage-hour bill, nor can I vote for its enactment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. NICHOLS. Mr. Chairman, this afternoon and particularly in the discussion of this amendment I have heard freely used the words "demagog," "vote hunters," "un-American and unpatriotic" applied to those men who are supporting this amendment. I wonder if I have to be a demagog, I wonder if I have to be unpatriotic; I wonder if I have to be selfishly seeking votes and nothing else in order to favor for the cotton farmers and the other farmers of the Nation the same protection at the hands of the Government that a majority of those by having affixed their signatures to a certain petition have said shall be guaranteed to labor? With every pound of my being I am for labor to receive a living wage. I think it would be a disgrace for Members of Congress and the people of the United States to expect labor to work for less than a living wage, and I think it is a dirty, stinking shame that this Government or its citizens should expect the cotton farmer to continue to work in his field from daylight to dark, using by his side the labor of his wife and in many instances the labor of his children of tender years, and even with all that effort come out at the end of the year with less than a living for that year's work. The chairman of the committee says that if this amendment

were adopted it would take more money to finance it than the Government could afford. Mr. Chairman, this was a control bill, I thought, when the consideration of the bill was started in the committee, and the principal bone of contention between the members of the committee was as to whether or not it would be compulsory control or voluntary control, whether you would be compelled to take part in the program or whether you would take part in it voluntarily.

I favored the compulsory plan. I still favor it. This amendment will apply to wheat also, but let us give the cotton farmers parity. What is parity? It is simply an effort to put them on equal footing with other business in the United States. That is all it is. Who is going to object to that? Do I have to be a demagogue? Do I have to be unpatriotic in order to have the nerve to get up on this floor and say that I think agriculture should be on an even footing with other business? If I do, then, my friends, willing am I to be a demagogue. Parity for the farmer, parity for cotton as compared with other business and other industry. It is perfectly simple. There is no use being alarmed. If this amendment is adopted, the conferees, if they become convinced that a majority of the Congress wants parity prices and they are afraid of bankrupting the Government, which is a new fear in this administration, if it is present now [laughter], can by their own compulsory control in the conference control the production of cotton, and thus save this country. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Minnesota [Mr. BUCKLER] is recognized for 3½ minutes.

Mr. BUCKLER of Minnesota. Mr. Chairman, I rise in support of the Patman amendment which will give parity prices on farm produce consumed in the United States.

Mr. Chairman, I happen to come from one of the most fertile parts of the United States, the Red River valley of Minnesota. We produce as much wealth as any other section of the United States. It has only been about 60 years since our section was homesteaded. In those 60 years title has passed from the farmers of Minnesota into the hands of Wall Street and the bankers, mostly. Less than half the farms in our State are owned by farmers themselves. The rest of the farms are tilled by tenants. After producing all the wealth, today we find we have very little of it left.

I would ask you city people to go out to the country and watch those farmers and their wives and children toil. You can find women out in the cold and rain driving mowers and plows. You can find little children doing the same thing. They are all working together to try to save their homes. All we ask in this legislation is parity with other industry.

I am a farmer, as I have often told you. Perhaps you can tell it by looking at me without my repeating it, but I have been accused a few times of being an attorney, so I have to keep reminding you about being a farmer. I am a farmer, but I signed the wage and hour petition. I signed it because I want the laboring man to have a decent living in the United States, but when we vote for that legislation, of course the price of what the farmer has to buy may be raised a little. You laboring people who have been chasing around this Congress for the last 6 months trying to get this petition signed, should do the same thing for us farmers that we are willing to give to you. Give us parity and a decent price, so that our women and children can have a decent living.

This bill before us now is but a little better than nothing. It does not go into operation until 1939. What are we going to do in 1938? You say you will give us 55 percent of parity—guarantee us a loan of 55 percent when parity, as I understand, is \$1.17 a bushel for wheat. Who is going to set the price between the loan price and \$1.17? The grain gamblers and bloodsuckers on the board of trade in Chicago and Minneapolis, who are gambling on the farmer's produce, will set the price which has been breaking the farmers of this Nation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oregon [Mr. PIERCE] is recognized for 3½ minutes.

Mr. PIERCE. Mr. Chairman, I am very much in earnest in wanting this bill. The attempt to add this amendment fixing parity prices at this time means the death of the bill. [Applause.] There are a hundred Members on this side of the aisle whose seats are in jeopardy if this is tied on, and certain other amendments that have already been tied on remain in the bill. I know what it is to raise wheat at a fixed price. I did it in war times and enjoyed farming better than at any time in my life; but it is simply impossible now to fix cotton at 16 cents and wheat at \$1.17. You watch these Members on my left—the Republicans over here—when we vote by tellers, going through the aisle, voting to attach this to the bill, hoping to defeat the bill. I appeal to my Democratic friends to keep this bill free from destructive amendments. If you continue putting on amendments like this we will be the laughing stock of the country. It is impossible, with the credit of this country, to finance this amendment as it is. I believe this administration is mistaken in not issuing currency to the amount of three billions, as provided in the A. A. A. Act. I believe there is a mistake in not giving us increased purchasing power. I believe there should be currency issued against the gold that is buried up in the country in Kentucky.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I do not yield.

I believe in higher prices for farm products, but I do not believe you can do it in this way. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD] for 3½ minutes.

Mr. CRAWFORD. Mr. Chairman, at this time I rise to make one or two observations with reference to what the gentleman from Michigan [Mr. Hook] had to say when he spoke about the harmful operations of the speculator. The more we concentrate the holding of commodities in cooperative associations or in large volume, the greater is the risk on account of price declines. When you remove the speculator from the commodity field you impose on the holder of that concentrated stock of commodities an extraordinary market risk. Take a situation where cotton declines, as it did within the last few months; assume that a large cotton crop had been held by the southern cotton growers, or large corn crop in the face of a big market decline held by the corn growers, and the loss becomes disastrous. The history of the Hanseatic League and the Venetian traders shows that their subconscious sense told them they had to have someone in between to assume these drastic declines in market values. I just wanted to point out to the Members here that we have not yet designed a mechanism whereby market risks are not involved.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. COFFEE of Nebraska. Is there anything in this bill, should this amendment be adopted and loans of 16 cents a pound made on cotton, that would prevent the importation of cotton from the rest of the world?

Mr. CRAWFORD. I do not know of anything.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. PATMAN. There is nothing to keep the conference committee from putting it in, is there?

Mr. COFFEE of Nebraska. Mr. Chairman, if the gentleman from Michigan will yield, I will say to the gentleman from Texas that the Committee on Agriculture has no jurisdiction over tariff matters.

Mr. CRAWFORD. It would seem to me that the Members on the floor could write such legislation into the bill; certainly we have jurisdiction over such matters. Insofar as I am concerned, I do not want to be a party to including in this bill or any other measure provisions which will encourage greater importation of goods from other countries at the cost of our own people. The farmers of my district know full well that we have too much of that type of legislation

on the books at the present moment, as evidenced by the increasing volume of competitive foodstuffs flowing to our shores from farms located in other parts of the world.

Mr. Chairman, what I desired to say is this: We can draw some lessons from the history of the old Venetian Republic and the Hanseatic league of cities. In those days transportation was slow and losses due to price changes for raw materials while in transit were serious and ruinous. We have increased the speed of transportation, but we are here considering control measures which enforce the holding over long periods of time commodities in great volume. The subconscious sense of the men in charge of trading affairs in those days demanded and, I might say, provided some measures against the hazards which the wild price fluctuations involved. They resorted to heavy-profit margins, and I believe it is true the Hanseatic League passed regulations with severe penalties against the sale of wheat before it was threshed or herring before they were caught.

The cotton South later came into being as an "exporting" group. It became necessary for them to sell on a basis of "forward delivery." And still later sales were made on basis of "in transit" or "to arrive." Still later we experienced the warrant system, and it became possible to transfer "ownership" without making delivery of the commodity itself, the warrants representing specific quantities and lots. In due course the export trade with Europe brought into operation the modern mechanism known as the "future contract." Internally we have built the great grain elevators, warehouses, and have adopted the receipt system for grain stored. Through the "future" contract it is possible to eliminate the risk of market decline, thereby permitting great volume to move on a basis of a very small profit margin. The producing, exporting, shipping, and trading world has spent centuries groping about in an attempt to work out something fair and sound. Whatever we have today we must bear in mind it has come about through hundreds of years of patient progress toward a definite end. Generally speaking, when the world so proceeds in one straight line it does not make many mistakes. Shall everything be discarded like a piece of antiquated machinery for some untried experiment?

Surely, if the distinguished member of the Agricultural Committee [Mr. Hook] is now proposing to have the farmer store his products and thereby carry all the risk, does he propose to destroy all the machinery that would, at the same time, permit that farmer to hedge against losses due to market declines? Does he not fully realize that ownership carries risk and that the greater the volume of ownership in the commodity world the greater the risk due to market decline? Let the principle be perfected in such detail that the farmers of this Nation may also participate in a plan which diminishes their risk. Is the fault which the gentleman complains about in detail or in principle? That is for his committee to determine as they promote the provisions of this bill.

May I ask the gentleman this question? If the cotton and grain merchants are denied the right of access to the future contract, will they not demand a wider margin of profit per bale of cotton and bushel of grain and all to be passed on to the ultimate consumer? Take cotton, for instance—the present 20,000,000-bale stock. A mark-up of \$5 per bale means an increased price to the consumer of more than \$100,000,000 annually and for what?—for insurance against market declines. Under the present system the insurance is carried at the cost of the speculator. The speculator goes into the market and assumes the risk in the hope that he will win. Some gain, but many, many lose. His operations spread the risk and thereby relieve the producer and the merchant—if the details are perfected. Think of the capital that has been lost through men speculating their savings in the hope of a profit in connection with mining for precious ores and drilling for oil. Certainly millions of them lost, but society has gained.

Recently we have heard so much said about thin markets. We now hear the Secretary of Commerce claiming that the present recession has no reason for becoming a

major depression "because of low inventories." Does he not mean that the risk is small by reason of stocks being low? Certainly that is what he has reference to.

Who is to protect the cooperative associations as they grow in size and accumulate vast stocks of commodities against hostile fluctuations in the markets of the world? We no longer control the cotton market. At the present rate of production of cotton in other parts of the world what will be the situation before the machinery for the administration of this bill is in full running order and the quotas and storage restrictions effective? What will be the problems 10 years from now?

Will Congress appropriate the necessary money to provide insurance equivalent to hedges? The speculator had the chance, certainly the hope of profit. He speculated. As the heavy hand of the tax collector presses down on the shoulder of the taxpayer do you contend the latter will have either chance or hope of profit? Above all, what will happen to our cotton grower when like Brazil, the Federal Government decides to abandon its course?

Mr. Chairman, this bill deals with commodities which have a world-wide use. They also have or carry an uncertainty of supply and demand. Furthermore, they are subject by nature of uncertain supply and demand to wide fluctuation in price. We cannot be too cautious and too deliberate in taking steps which may bring great disaster—far greater than our people have ever experienced—to millions of our people. Personally I feel that we are working under great pressure for haste and speed and that we are not, as a Congress, fully comprehending what we are about to do. The big thing seems to be "pass the bill before Christmas" instead of having something that will not bring greater misery to our people who have looked too long toward the Halls of Congress for their economic salvation. Surely some day we shall come to the full realization that government is not big enough financially to do very much for our people but that they will not only be compelled to do things for themselves but, in addition, provide through their efforts in the form of contributions to the tax box, the full amount of money required to carry on the affairs of such government as they may have over them.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman already has that privilege.

The gentleman from Arkansas [Mr. McClellan] is recognized for 3½ minutes.

Mr. McCLELLAN. Mr. Chairman, I do not know what will be the final outcome and result of this attempt to pass legislation to aid agriculture. Whatever we do may prove a mistake, but whatever criticism may be offered to the law we pass before this session will have adjourned, it cannot be said that we did not sincerely try to write a farm bill. About everything that could be suggested has been, and every proposal and amendment is being debated and considered.

We all want to do something; and the sole purpose of this effort is to ultimately raise the price of agricultural products so as to restore the farmer to a relatively equitable position in our economic and industrial life. I would like to write into this bill, if it were possible to do so, that the farmers shall receive a standard wage for the product of their labor, just as many of you propose and expect to write into law at this session of Congress by passing the wage and hour bill a provision that will give to labor a minimum wage and limit the hours of their toil in industry.

Mr. Chairman, if we are going to pass that character of legislation at this session of Congress, if we are going to adopt a legislative policy of price fixing, then I am ready to vote for this amendment and place in this bill a level below which the farmer will not have to toil, without any regulation of hours, in order to produce a living for himself and his family. [Applause.]

I seriously doubt the wisdom of any character of price fixing with reference to commodities and with reference to both agriculture and industrial products. I doubt seriously that any such policy can ever be successfully operated and

maintained; but there is a strong block here apparently determined to enact a law designed to increase wages to industrial employees, and if we are going in that direction for the laboring man, then eventually we are going to go that way for the farmer, and we may as well begin now to fix the price of his products so as to raise his standard of living. [Applause.] You may not do it today, but ultimately it will have to be done if we by law fix the price of industrial labor.

You cannot nail down one end of the plank for labor and leave the other exposed and ragged for the farmer. His prosperity and standard of living must be taken into account for it is just as essential to the welfare of this Nation. When wages are raised in the manufacturing establishments, a corresponding increase occurs in the cost of what the farmers are compelled to buy. So if we are going to embark on outright price-fixing policies, and I again warn they are dangerous, we cannot possibly justify such a cause if we ignore and neglect those who dig from the earth the very food that sustains us all.

Mr. Chairman, I am going to vote for this amendment. Whatever bill we pass will go to conference. The Senate bill will be there. We all know that the conferees will virtually rewrite this legislation. I anticipate, should the House adopt this amendment today, it will be stricken out by the conferees. I do not expect it to stay in the bill, but I think I can tell you now that if there is going to be price fixing in other fields that insures a high standard of living for the laborer in various other enterprises, then the farmer has a right to expect, and will demand, a law to fix the price of his products, so as to raise his standard of living. He is already crushed under present conditions. He cannot longer endure and will be unable to survive further increase in prices of what he must buy with continuing decrease in markets and income from what he produces.

We may as well recognize now that this Nation will never be prosperous so long as agriculture, our largest industry, is stranded in virtual insolvency. Price fixing is not the remedy for our ills, but those who ask it to insure their welfare, must stand ready and willing to grant it to others who seek equal protection.

Mr. Chairman, when some are brought to a realization that there are certain factors and processes other than laws that enter into and influence existing conditions, we will likely secure the enactment of fewer bills but more wholesome laws. [Applause.]

The CHAIRMAN. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Texas, Mr. PATMAN.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 68, noes 97.

Mr. PATMAN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. PATMAN and Mr. DOXEY to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 81, noes 113.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 14, line 13, strike out all after the period down through line 9 on page 15.

Mr. JONES. Mr. Chairman, under the amendment I have just offered with reference to the loan provision beginning on page 14, line 14, I strike out the remainder of the paragraph. This would leave the provision as the committee first had it, without having any figures at all for any commodity and would simply leave the loan provision read this way:

The Commodity Credit Corporation (in this act called the Corporation) is authorized, upon recommendation of the Secretary and with the approval of the President, to make available loans on agricultural commodities (including dairy products). The amount, terms, and conditions of such loans shall be fixed by the Corporation with the approval of the Secretary and the President.

If the amendment is agreed to, it would eliminate the Lucas amendment. It would eliminate the fixed rates on all commodities. After all, someone has to be responsible for these loans. This would require the approval of the Commodity Credit Corporation, the President, and the Secretary. They would fix the amount and the terms and conditions of loans. They would treat all commodities alike. Under the bill no maximum or minimum figure would be set. The matter of the amount, terms, and conditions would be left just as it is, under the present Executive order, with the provision that was temporarily made for carrying it out.

Mr. MAY. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kentucky.

Mr. MAY. I am somewhat in sympathy with the gentleman's suggestion with this exception: I would like to know if the chairman of the Committee on Agriculture has any information as to the amount it will cost the Government if you leave it up to the Commodity Credit Corporation, the Secretary, and the President?

Mr. JONES. You would have all three of those. You would have the same loan provision you have now. They have handled it pretty well up to the present time. This would do away with the yardsticks altogether.

I want to be perfectly frank and say this would carry with it not only the maximum and minimum limitations put in here but would also carry the Lucas amendment.

Mr. MAY. Are the terms of the loans fixed in the Commodity Credit Corporation Act?

Mr. JONES. No. This would be practically the same thing.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. As I understand it, if the gentleman's amendment is agreed to, loans uniform in amount will be made all over the country rather than in sectional areas or in different amounts.

Mr. JONES. The gentleman is correct. I rather believe that, in view of the action taken by the Committee—there are more Members here, and I just want the honest judgment of the Committee—this would be wise, because the administration at the time, whichever one was in power, would have to be responsible for its action. This would put all the commodities on exactly the same basis.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. LUCAS. Does the gentleman agree with me there is a distinct difference between loans on corn and loans on cotton?

Mr. JONES. I do. For that reason I believe they will consider in making the loans the rights and conditions with respect to any commodity. They do not have to make the same loan under this provision as to one commodity that they make as to another commodity. They will fit the loan to the commodity without any limitation.

Mr. LUCAS. May I ask the gentleman if it is not a fact the amendment which was adopted a few minutes ago by the Committee was submitted to the gentleman from Texas, and he replied to the gentleman from Illinois that he had no objection if we would include the latter bracket, which reads, "55 percent, if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent," and I agreed with the distinguished Chairman to do that?

Mr. JONES. I will state frankly that is substantially true. The gentleman came with another party into my office. If the fact it was a mandatory loan registered on my mind, I did not realize the implication of it. I had the impression afterward that it was a permissive loan. I am sure the gentleman stated it was mandatory because he had the same figure in it. As soon as I discovered this feature yesterday I called up the gentleman and told him I did not believe the loan should be on a mandatory basis. I also called up the other party over long distance telephone last night and told him the same.

I come back to the proposition that if my amendment is agreed to it will be as the committee first had it. It will treat all commodities alike and will make the loan available for all commodities, the loan to be fitted to the commodity.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the Speaker of the House.

Mr. BANKHEAD. Without undertaking to express any opinion whatever with reference to the merits of any particular section of this bill, there is one matter I should like to get cleared up in my own mind as a representative of my constituency, and that is this: As I understand this bill, no provisions are made for the exaction of any new levies of taxes of any nature whatever to meet any of the requirements of such bill as shall be passed.

Mr. JONES. The gentleman is correct.

Mr. BANKHEAD. Then, I should like to ascertain from the chairman of the committee the amount of revenue or funds which will be actually available in the event this bill shall be passed, without the imposition of any new taxes.

Mr. JONES. Assuming the House appropriates the amount authorized under the present Soil Conservation Act, there will be \$500,000,000 available under that act, and there will be an additional amount, for the purposes of exportation, of 30 percent of the customs receipts, which will probably run from \$110,000,000 to \$125,000,000.

Mr. BANKHEAD. Assuming that which may or may not be true, that we shall have to make the allocation on the basis of the funds now in sight, to wit, \$500,000,000, plus such amount as may come out of the operation of section 32, if the amendment now proposed by the chairman of the committee should prevail these funds would have to be allocated and these various commodities would have to take their chances out of the amount of money now in sight?

Mr. JONES. No; the gentleman is not correct. The loans would not necessarily come out of this figure because they are made by the Commodity Credit Corporation. This is simply a continuation of the present act as far as the Commodity Credit Corporation is concerned. It was hoped the loans would be made on a reasonable basis and not entail any great amount of loss. We simply carry forward the present provision, and the loans are made by an organization which is under the R. F. C.

Mr. BANKHEAD. Does this mean that in addition to the sum of \$500,000,000 mentioned by the gentleman further funds would be available for loans by the Commodity Credit Corporation?

Mr. JONES. There would be whatever the Commodity Credit Corporation now has, and then provision might be made for this permanent organization. If my amendment is adopted, we simply carry forward the present act, which will expire within 2 years, I believe. This would carry it on and authorize it to be made if that organization is carried on.

Mr. BANKHEAD. I thank the chairman for the information.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is perfectly obvious this amendment proposes to turn the legislative powers of the Congress over to the President. The President appoints the Secretary of Agriculture, and he appoints the Commodity Credit Corporation members. Therefore, this amendment turns all the legislative functions and powers of the entire Congress over to one man.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. FISH. I should like to be corrected if I am wrong.

Mr. JONES. The gentleman is incorrect only to this extent: That it is already there. This authority has already been granted by the Congress, and this amendment simply authorizes that organization to continue doing what it has been doing.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; I do not yield.

The amendment as it was read certainly gives that power to the President. If he had the power already, there would be no purpose in giving it to him. It gives the President the full power over agriculture and farm prices, and he could spend, under the terms and provisions of the amendment as read, not only a billion dollars but \$10,000,000,000 annually. In the amendment suggested by the gentleman from Texas there is no limit whatever on the amount of money to be loaned on farm commodities. The point is, there is no money in the Treasury for this purpose now. We have not yet put the \$500,000,000 into the Treasury that this farm bill needs to function in accordance with its provisions.

Now, if you pass this amendment, who is going to say how much money it will take to pay out loans on all these different farm commodities, not only the ones contained in this bill, but the ones produced in my district, in the President's district, such as dairying, vegetable and fruit growing, poultry raising, and so on? Who is going to say how much they are to get? And if this provision is so broad as to include all commodities, then we will be called upon, as the speaker has suggested, for an appropriation far larger than \$500,000,000. What I want to know before we vote is how much this amendment is going to cost. Will it cost \$5,000,000,000 or \$500,000,000? I would like to have the gentleman from Texas make this clear. Will this amendment cost any more money?

Mr. JONES. It may not. If the collections under the present loan are sufficient, it will not even require any more money than is out now. Nobody can tell what the ultimate result will be, but, certainly, under the present program I do not think the loans are unreasonable, and I do not believe the gentleman will contend they are.

Mr. FISH. What is the purpose of the gentleman's amendment if the President has these powers at the present time?

Mr. JONES. This is permanent legislation and it was thought this was the simplest way to make provision for the continuing loans and, of course, in order to make this available, it will be necessary for the proper committee to continue the activity and life of this Corporation, which, I think, should be continued. I will state to the gentleman that I believe some very fine work has been done, and is being done, under the loan provision.

Mr. FISH. Can the Commodity Credit Corporation lend on all commodities today?

Mr. JONES. It can lend on all commodities today.

Mr. FISH. Has it made loans on any but the three or four big, stable commodities?

Mr. JONES. It has made loans on a number of different commodities and has tendered loans on a number of others, the effect of which has been to bring up the price and the loans were never made. The same thing is true as to section 32, and may I correct the statement I made in answer to the speaker. It is possible that some of the funds under section 32 may be used for this purpose. I was in error in my answer about that.

Mr. FISH. Will the gentleman inform the House whether in his opinion this amendment will cost any more money or will cost more than the \$500,000,000 needed to carry out the provisions of the farm bill?

Mr. JONES. I think there is a possibility of some losses on these loans, but if they are handled properly I do not believe there will be material losses.

Mr. FISH. I am not referring to loans but to the appropriations by Congress. Will more than the \$500,000,000 have to be appropriated?

Mr. JONES. I think certainly not for the coming year, and it depends on the action of the Congress thereafter.

Mr. FISH. And this money is to be spread around on other commodities besides cotton, wheat, corn, tobacco, and rice?

Mr. JONES. Yes.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment may close in 27 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUCAS. Mr. Chairman, I am rather a neophyte here in Congress, and sometimes I confess to myself and those who are about me that I doubt that I know what it is all about. To say I am surprised at this latest move on the part of my distinguished chairman is putting it rather mildly.

This question of mandatory loans upon corn did not arise on the spur of the moment. This question of loans has been debated back and forth in the Committee, with little or no success, and yet, when the Secretary of Agriculture approved in principle this provision, which has been voted on successfully here, it was thereafter submitted to the able chairman, who inspected it, and advised me that he had no particular objection if I would lower it to the 55-percent bracket.

I know the chairman is a busy individual. I have a tremendous amount of respect for his ability, his judgment, and his industry. I know he has had a great charge in connection with the handling of this bill, but, Mr. Chairman, I represent a tremendous industry out in my section of the country. I happen to be the only individual on the committee who represents the corn districts of Indiana and Illinois, and I went into this thing in good faith.

I am satisfied if this mandatory provision is left where it is in the bill it will accomplish the stabilization that the corn farmer for a long time has been looking forward to; that is to say, a fair and decent price for the product he raises out there on the soil will be given him. This year we have an abundant crop; bountiful Nature has given us 2,600,000,000 bushels of corn and a carry-over of 60,000,000 bushels, and if this provision of mine were in effect today we would not be getting as much under the mandatory provisions of this amendment as the Secretary of Agriculture announced recently for purposes of a corn loan.

Mr. Chairman, I submit in all fairness that we passed on this matter. We had an honest debate upon it, and this is a means at the last moment to scuttle an important measure that takes care of thousands upon thousands of farm families in Illinois who are interested in one of the basic industries of this Nation, namely, the production of corn.

I hope that those who stood with me in this first fight will continue to stand with me and vote down the amendment submitted by the distinguished chairman. [Applause.]

Mr. SHORT. Mr. Chairman, with all due respect to our Committee on Agriculture, which is composed of able and honorable men, this bill is a classic example of the most ill-considered, loosely drawn, and ambiguous piece of legislation ever presented to a parliamentary body. I confess my abysmal and pitiful ignorance, along with my distinguished friend from Illinois [Mr. Lucas], as far as this measure is concerned. This bill will not work. It goes against the laws of Nature. It undertakes the impossible. We might as well legislate against thunder and lightning. The amount of rainfall and sunshine is not regulated by Congress, nor is it controlled by the Secretary of Agriculture. In spite of our efforts, God is still greater and more powerful than Lord "Corn-Wallace." [Laughter.]

The philosophy back of this bill is the philosophy of Moscow. It has been tried many times in history and has never worked. It never will. Yet—

As a dog returneth to his vomit, so the fool returneth to his folly.

Whatever the purpose or motive of its authors or sponsors, its result is certain and inescapable. It gives the Secretary of Agriculture absolute power to control the principal crops of this Nation. Mr. Wallace and his local committees, appointed by and responsible to him, can and will tell the American farmer in the remotest corner of our Republic how many acres of a commodity he can plant and how many bushels of that commodity he can sell. Mr. Wallace—and he alone—is given authority to lay down rules and regulations having the force of binding law as if enacted by Congress.

By this act we render ourselves superfluous and impotent. The farmer's freedom is destroyed and he becomes a ward of the Federal Government, removed one short step from serfdom. His neck is placed in a noose and the bait held out to him by the Secretary of Agriculture is merely an inducement to get the halter on the farmer in order that some little visionary, bureaucratic whippersnapper can work the hunger-whipped slave in the harness as he sees fit. This farm bill will farm the farmer, and the only issue that confronts us now is freedom or serfdom for our people.

The farmers in my district prize their corn, cotton, and wheat, but there is something, Mr. Chairman, they prize infinitely more than these material things. That something is of great spiritual value, that noble and precious heritage we call liberty. Under the terms of this incomprehensible measure one thing at least is certain and unmistakable. The Secretary of Agriculture is given discretion to pay some farmers and to withhold payment from others. No human being is endowed with the divine wisdom and virtue to administer justly this act. Some farmers can be rewarded and others can be penalized at the will of the Secretary of Agriculture. The door is opened wide to political corruption and reprisals, and opportunity is offered a Cabinet member to build up a gigantic personal political machine. Never before in the history of free government have we witnessed such a brazen and inexcusable grant of unprecedented and almost unlimited power to one man.

We may not always have as Secretary of Agriculture a man of oracular wisdom, sublime virtue, and impeccable judgment. If enacted into law, this bill will set one class of farmers against another, and cause one farmer to hate his neighbor. Bootlegging, perjury, and thievery will follow, agriculture will be dislocated and disillusioned, and, what is worse, the liberty and character of our best citizen, the American farmer, will be destroyed. For God's sake let us keep America American by letting every man walk the earth his own king, the equal lord of every other man, go his own way, work out his own will, and weave into the warp and woof of the magic days the dreams that haunt, the duties that inspire and urge him on. [Applause.]

The CHAIRMAN. The gentleman from Minnesota [Mr. BERNARD] is recognized.

Mr. BERNARD. Mr. Chairman, for the last few days I have been listening to some Members of this House with pleasure and surprise. Many of my esteemed colleagues who in the past have always disagreed with me on everything seemed to have been converted to my views.

Gentlemen who in the last session argued for a drastic cut in relief expenditures now weep for America's hungry millions.

Gentlemen who in the last session could only shout "economy" now tell us that our people have not enough money to buy food.

In the last session it was only the Progressives who argued that we do not suffer from overproduction but from underconsumption. Now the very Members who have blocked every administration measure to expand the buying power of our citizens tell us "the workers have no money to spend for farm produce."

Underconsumption has become the pet discovery of those who are in part responsible for underconsumption.

Have these leopards changed their spots?

I would like to think so, but my new friends are inconsistent, and I am forced to doubt their sincerity. At one moment they protest the amendment offered by my friend, Mr. BOILEAU. The Boileau amendment, they say, will take the milk from the mouths of starving babes. And at the next moment they advise us to feed the starving babes by repealing the surplus-profits taxes.

Do these new friends of the hungry and poverty-stricken mean starving babes—or starving corporations? Who is it that they really want to feed?

I do not forget that in the last session my friend, JERRY BOILEAU, introduced a bill calling for \$3,000,000,000 to create 1,000,000 jobs. And I do not forget that those who now accuse him of taking food from the mouths of babes voted

against his bill and even advocated cutting the administration measure to \$1,000,000,000.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. BERNARD. I do not have time to yield.

I do not believe that it is Mr. BOILEAU who is the apostle of starvation.

I would like to think that these new spokesmen for plenty are real converts to the progressive cause. I will think so when they support the wage and hour bill, an increased relief appropriation, more money for housing, higher taxes for the rich, and lower taxes for the poor.

But—until they are ready to prove their sincerity by votes—let them not mock the hungry with their crocodile tears. We Progressives who condemn the crop-destruction provisions of this farm bill have a right to condemn them. We are doing all we can to root out the causes for underconsumption. We are going to vote for every measure which will increase the spending power of those whose hunger makes the "surplus" of farm crops. We are going to resist with all our strength every attempt to feed the trusts and the corporations while the people starve.

We have the right to condemn scarcity, and we do condemn it. We have a right to say, "Let the Government pay the farmers for growing food, not for plowing it under." We have a right to deny that there is a farm "surplus" so long as one child anywhere in the world goes to bed hungry. We have a right to say these things because we believe them.

But as for the new advocates of abundance—they are treading on dangerous ground. What will their constituents say when they go home? Theirs is not an easy position to explain to the jobless, the W. P. A. worker who has been laid off, or the needy for whom no relief can be found.

"I voted against the farm bill," they can say with pride, "because it perpetuates an economy of scarcity; because it destroys food when many are hungry."

And their hungry constituents will ask: "But what did you do to find a few dollars so that we can buy what the farmers still raise?"

What will they answer, these new disciples of the more abundant life? I hope they will be able to answer that they have done something besides cut Mr. Morgan's tax bill.

It is not wise to trifle with the wrath of hungry men. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The gentleman from Iowa [Mr. DOWELL] is recognized for 1 minute.

Mr. DOWELL. Mr. Chairman, a short time ago the House adopted a corn loan amendment, which will be very helpful to the corn producers of this country. I want to ask the chairman of this committee if his amendment is not intended to set aside the amendment that the House adopted just a few minutes ago? At least, as I understand, that is the purpose of the amendment.

Mr. MASON. He said it was.

Mr. DOWELL. I am told he said it was so intended. It seems to me that that amendment, having been adopted by this House, it should not be defeated by an amendment of this character. The corn loans have been most helpful to the farmers, and the Government has not lost a dollar by these loans. The amendment providing for corn loans adopted by the House a short time ago should stand and this amendment intended to strike it out should be defeated.

I am opposed to this amendment.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Iowa [Mr. GILCHRIST] is recognized for 5 minutes.

Mr. GILCHRIST. Mr. Chairman, I am, of course, overwhelmed with the bursts of oratory when I hear on this floor about how we are trying to control the hands of God Almighty; about how we are going to control sunshine and rain; about how some officer is going to be delegated the authority to say how much crop we shall produce and how much crop we shall sell. You can make a fine oration by saying that the liberties of the American people are going to be taken from them by this bill, but if gentlemen would

read the bill, they would soon understand that it does not do any such thing at all. This bill does not provide for scarcity. It is not a bill that seeks to control sunshine, rain, or production. This bill will leave the American farmer with every liberty that he now has, except, in possibly one year out of eight or ten, and then when he votes for that control himself.

It is fine to talk about American liberty. We have perhaps all had forefathers who marched with George Washington from New York to Yorktown. But this bill, and the amendment now before us, does not control one bushel of production of corn, not one. The farmer is allowed to produce every bushel of corn that he can. The farmer is allowed to harvest all that he can. In extreme times, when the farmers vote for it, under a formula that Congress fixes and not the Secretary fixes, then, and only then; and at no other time can the Secretary provide for a vote.

It does not give the Secretary one single thing or a single power or authority, except under the rule and formula that Congress itself proposes and lays down in the bill itself. So that when I hear these bursts of oratory I am greatly pleased at the oratory; but I am bound to believe that the orators ought to read the bill. I think they ought to know what this bill provides. Once in a while during the course of years, when the farmers ask for it, the farmer can be told, "Here, you put a small part of your corn into storage for a while, until the world shall demand it and the price shall rise, so that you yourself will be helped and your neighbor will be helped, and no one will be injured." It does not prevent him from doing as he pleases with the vast amount of his product. He raises it; he sells it where he pleases and when he pleases, with the exception that I have noted.

How easy it is to talk about liberty and the American flag. Oh, I know something about liberty myself. I have seen the sheriff march into the homes of the corn farmers of my community and my county and kick farm owners out into the street. That is liberty. That is the liberty of the man who owns the mortgage. So I am trying to fix it so that the farmer can pay his mortgage and support himself and his family in decency and honor in this twentieth century. [Applause.]

At times we may be inclined to subordinate the rights of people to secure peace, happiness, and prosperity to the rights of property. I am for protecting all property rights. I do not want to wreck the internal economy of our country. But I recognize also the right of citizens. The present economic desperation which this bill attempts to correct is due, no doubt very largely, to our neglect in acknowledging the right of a man to some return for the long hours he toils in attempting to grow and market foodstuffs for our people.

We are attempting to give some consideration to the right of the farmer to secure a greater degree of happiness and prosperity. [Applause.]

[Here the gavel fell.]

Mr. BIERMANN and Mr. COFFEE of Nebraska rose.

The CHAIRMAN. The Chair would like to inquire of the gentleman from Iowa if he thought he was included in the unanimous consent that was given to close debate?

Mr. BIERMANN. That was my impression.

Mr. JONES. I had intended to include the gentleman from Iowa, Mr. Chairman.

The CHAIRMAN. There are but 5 minutes remaining on this amendment. The Chair wonders if it would be agreeable to recognize each gentleman for 2½ minutes.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska [Mr. COFFEE] may proceed for 2 minutes, not to be taken out of the time already fixed.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Nebraska [Mr. COFFEE] is recognized for 2 minutes.

Mr. COFFEE of Nebraska. Mr. Chairman, I rise in support of the amendment offered by the chairman of our committee.

If loans are to be provided for corn farmers, I think it is advisable to adopt this amendment; otherwise you may put such restrictions on these loan provisions that it will be impossible to have any loans at all.

I also want to call the attention of the Members to the very fallacious reasoning which was presented a few minutes ago in connection with the price of cattle. The gentleman from Missouri [Mr. CANNON], I believe, stated that the price of cattle and hogs was determined by the price of corn. It is just as logical to assume that the price of eggs is determined by the price of wheat because chickens eat wheat. Consumer purchasing power, demand and supply, are the determining factors, not the price of corn.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. Not now; I have only 2 minutes.

Mr. Chairman, I represent a district largely devoted to cattle, hogs, and corn. I am in the cattle business myself. I fear that if you make an artificially high loan on corn it would wreck the western range cattle producers, as well as the Corn Belt feeders. Corn producers would eventually suffer if substitutes for corn were used.

If you want to be of assistance to the corn producers, let these loans be made on a reasonable basis, not so high as to encourage the production of corn for sale to the Government or to affect adversely the livestock industry but high enough to stabilize prices that might otherwise be demoralized through excessive sales. [Applause.]

The CHAIRMAN. The gentleman from Iowa [Mr. BIERMANN] is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, the effect of the gentleman's amendment will be to eliminate all of the loan section except that part which makes the loans absolutely optional with the Commodity Credit Corporation with the approval of the Secretary of Agriculture and the President. The only part eliminated that really amounts to anything is the so-called Lucas amendment providing for mandatory loans on corn.

It may look as if we Members from the corn section, in asking for mandatory loans on corn, are asking for something that we should not have, but I submit to this body that nearly every one of the farm commodities, large in production, has been treated in a special way on account of the special circumstances that surround it. We had a special bill for sugar. Again and again we have given special treatment to cotton. In this very bill we give special treatment to tobacco. Now, without hurting the United States Treasury, without hurting any other farm commodity, I propose we give a little special treatment to field corn through mandatory loans at safe, business-like figures. We can do it for the reason that corn is not exported, it is consumed in this country. Less than 5 percent of the production of corn normally is exported; so a loan on it would be sound. A loan on corn is different than a loan on a farm commodity with a large exportable surplus.

If the amendment of the chairman is adopted, the corn-growing sections of this country will be in exactly the same position as far as loans are concerned that they were in this summer when the farmers in Iowa and these other corn States saw the price of corn locally go down from \$1.35 a bushel to 35 cents a bushel. All that time the Commodity Credit Corporation had exactly the same power they will have if the chairman's amendment is adopted, but they did not give us any loans until after some of the poor farmers had been forced to get rid of their corn. Then they did give us 50-cent loans. That is a condition that we want to cure. We want to compel the Commodity Credit Corporation to make loans. The Commodity Credit Corporation made loans in 1933, 1934, 1935, and 1936. I telephoned them this morning and they informed me that they had not lost a single penny on those loans; they got all the money back plus interest at 4 percent. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired; all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Texas.

Mr. JONES. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. JONES and Mr. LUCAS.

The Committee divided; and the tellers reported that there were—ayes 109, noes 83.

So the amendment was agreed to.

Mr. BIERMANN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 14, line 14, insert the following: "The Commodity Credit Corporation shall make loans on field corn wherever produced in the United States at the rate of 55 cents a bushel if the corn supply of field corn is not more than 10 percent of the estimated domestic needs and foreign exports in the marketing year in which the loans are to be made. If the total supply is more than 10 percent in excess of the estimated domestic needs and foreign exports, the loans shall be made at 45 cents per bushel."

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, until I examine the amendment which the gentleman has just offered a little further I reserve a point of order against it.

The CHAIRMAN. The gentleman from Iowa [Mr. BIERMANN] is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, I imagine that some of the Members voted against the Lucas amendment and later for the chairman's amendment to strike out because they thought that the proposed loans on corn were unreasonably high. The amendment I have offered fixes those loans at 55 cents a bushel when the supply of corn is not more than 10 percent above the domestic consumption and foreign exports, which would be 2,618,000,000 bushels. This year we have more than 2,700,000,000 bushels, and, under the present bill, the quota does not go into effect until we get to 2,900,000,000 bushels. My amendment further provides that when the supply is in excess of 10 percent above the domestic consumption, plus the foreign exports, the loan will go down to 45 cents per bushel. In other words, the amendment merely provides that the corn-growing farmers of the United States, whether they are inside the commercial area or outside the commercial area, will always be able to go to the Commodity Credit Corporation and be assured they may get some loans. If the crop is small, they get a loan of 55 cents. If the crop is large, they get a loan of only 45 cents. I would like to know what is unbusinesslike about that.

I call attention to the fact that in the past 4 years those are the figures the Commodity Credit Corporation has used in making loans. For 2 years they lent on the basis of 45 cents a bushel. For the other 2 years they lent on the basis of 55 cents a bushel. In the 4 years they lent a total of \$145,000,000, and the Government did not lose a single penny.

Mr. PIERCE. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Oregon.

Mr. PIERCE. Are they mandatory?

Mr. BIERMANN. They are mandatory. I do not want the farmers of Iowa to have another year like 1937, when the little fellow sold his corn and a couple months after he got rid of his corn the Commodity Credit Corporation proclaimed that "on December 1 we will lend you 50 cents a bushel." I want the farmers to know in advance that they may get either 55 cents or 45 cents a bushel, depending upon the yield. If the crop is small they get 55 cents. If the crop is large they get 45 cents. Is there a single Member who believes the Government will lose a single penny by such a transaction?

Mr. PIERCE. That means pegged prices.

Mr. BIERMANN. No; it does not.

Mr. PIERCE. The Government will have to buy at those figures.

Mr. DOWELL. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Iowa.

Mr. DOWELL. Is it not true that the loans on corn have never cost the Government anything?

Mr. BIERMANN. Not a single penny. The Government has made money on these loans at the figures I specified here—45 cents if there is a big crop and 55 cents if there is a small crop.

Mr. DOWELL. I would like it better if it was 50 cents in the lower bracket.

Mr. BIERMANN. I would just as soon put it at that figure. I want the farmers to be in the position of being able to borrow something and I want to be sure that the Commodity Credit Corporation will lend them the money. I do not want the farmers to go through another season like this past year, in which the Commodity Credit Corporation made no loans until the little fellow was busted, and then the Commodity Credit Corporation stated it would make loans on December 1.

Mr. DOWELL. I suggest the gentleman amend his amendment and make it 50 cents instead of 45 cents in the lower bracket.

Mr. REILLY. The criticism has been that they do not lend early enough?

Mr. BIERMANN. They do not lend at all unless it suits their fancy to do so.

Mr. REILLY. They have heretofore.

Mr. BIERMANN. Oh, no; not until 60 days ago did they proclaim they would start making loans at 50 cents a bushel on December 1.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. The formula set forth in the gentleman's amendment is on a par with the previous provisions covering loans on corn?

Mr. BIERMANN. Yes.

Mr. MASON. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Illinois.

Mr. MASON. In other words, the loans up to now were not made until the damage had already been done?

Mr. BIERMANN. Yes. That was the case this year. I want the law changed so that the farmers will be entitled to the loans. This cannot hurt the Treasury one single dollar.

Mr. MASON. Will the gentleman agree with the statement that the loan provision, unless it is made mandatory, is no good?

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Texas withdraw his reservation of a point of order?

Mr. JONES. Yes. Mr. Chairman, I withdraw the reservation of a point of order.

Mr. Chairman, I rise in opposition to the amendment.

I do not have any objection to the schedules set out here. They are practically the same schedules, or perhaps a little lower than they were before in the bill. However, this amendment again opens up the whole field of mandatory loans. Two or three Members have given notice that if mandatory loans are provided for on one commodity they want to make the loans mandatory on other commodities. The loan was made a little late this year, but this is because a temporary organization was handling the matter. There was no direct authorization except an organization which was originally provided by Executive order from relief funds, and its authority for handling the problem was temporary. I think the situation could be taken care of just as well without making the loans mandatory. Why decide in advance? It may be that when the time comes the loan should be made at a different figure, and they might want it at a different figure.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Iowa.

Mr. BIERMANN. Can the chairman anticipate any possible harm which may come from making the loans mandatory at these low figures?

Mr. JONES. I do not see anything wrong with the schedule, I may say to the gentleman, but a great many different

commodities may be stored, not only these named in the bill but other commodities as well. I have already received notice from two or three Members that if this provision is made mandatory they will ask that loans on their commodities be made mandatory. I believe the gentleman will get all he is asking and possibly more without making it mandatory. I wish the gentleman would not insist on his amendment.

Mr. BIERMANN. The gentleman concedes there is a vast difference between making a loan on corn which is consumed in the United States and making a loan on cotton or wheat, which must depend on foreign exports?

Mr. JONES. I agree with that statement, but I believe the Commodity Credit Corporation, the Secretary, and the President, when we get the permanent farm program in operation, will recognize this fact and make the terms to suit.

Mr. BIERMANN. I want to protect the corn area from the sort of catastrophe it had this year, when the Commodity Credit Corporation had the same authority the gentleman would give them now. They let a lot of farmers go broke and then said, "We will let you have a loan on December 1."

Mr. JONES. The only trouble is that you cannot have mandatory loan features and set out the schedules through all the different commodities. I believe when we finally work out the provision the gentleman will have no complaint as to the way the matter will be handled. I hope the gentleman will not insist on opening up this field again, as it will be the cause of others coming in with the same sort of provision.

Mr. BIERMANN. May I remind the gentleman that the field was closed until the gentleman opened it up a little while ago.

Mr. JONES. Others might not be as reasonable as is the gentleman.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. LUCAS. Will the distinguished chairman of the Committee on Agriculture agree that we should have loans if we who seek them on corn and sustain a loss are willing to assume that loss by having the Secretary of Agriculture the following year charge the same against the fund which is allocated to corn?

Mr. JONES. This opens up a new question which I would not want to answer in advance, of course. It is a matter which ought to be passed on. Of course, if you are going to take the soil-conservation payments away from an entire section it might not leave a very happy situation. At least, I should like to think about this question somewhat and consider it at a later time, in conference or elsewhere. Of course, if the corn growers all wanted to take any losses from their soil-conservation payments, that might be a thing to consider, but the question comes too suddenly for me to make any statement on it.

At this time I would rather not have the loans mandatory. I would rather not have any of them mandatory. Let us have a little more freedom here and not have the representatives of other commodities trying all afternoon to come in with mandatory loans at varying figures.

Mr. LUCAS. I may say to the gentleman that in my humble opinion, unless we have some sort of legislation somewhere along the line which is either going to make these quotas effective or make a mandatory loan possible, I am afraid the bill is worse than useless.

Mr. JONES. I do not agree with the gentleman at all. This leaves complete leeway. The whole program can be worked out just as well without tying the hands of the lending agency.

[Here the gavel fell.]

The CHAIRMAN (Mr. COOPER). The question is on the amendment offered by the gentleman from Iowa [Mr. BIERMANN.]

The question was taken; and on a division (demanded by Mr. BIERMANN) there were—ayes 37, noes 62.

So the amendment was rejected.

Mr. LUCAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCAS: On page 14, after the word "President", insert the following:

"The Corporation shall make loans during any marketing year on field corn produced on farms, whether or not in the commercial corn-producing area, as defined in section 321F, on which the acreage planted was not in excess of the farm acreage allotment, and said loans shall be made on the following percentages of parity price for field corn as of the beginning of such marketing year:

"Eighty percent if the November production estimate for the current crop of field corn does not exceed a normal year's domestic consumption and exports;

"Seventy percent if such estimate exceeds a normal year's domestic consumption and exports by not more than 5 percent;

"Sixty percent if such estimate exceeds a normal year's domestic consumption and exports by not less than 5 percent and not more than 10 percent;

"Fifty-five percent if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent.

"Provided, however, That any losses sustained hereunder shall be charged to and become a lien upon the amount allocated to said commodity during the following calendar year by the Secretary of Agriculture under this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent that I may be allowed 5 minutes to discuss this amendment.

Mr. JONES. Mr. Chairman, if discussion is going to be in order I want to reserve a point of order against the amendment, as I have not had a chance to see it. I understand the gentleman from Illinois is willing to take 3 minutes for himself and leave 2 minutes to me or some other member of the committee.

Mr. LUCAS. That is agreeable, Mr. Chairman, and I so modify my request.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LUCAS. Mr. Chairman, this amendment is practically the same as an amendment heretofore submitted to the Committee with one exception. There are a large number of Members of Congress who feel that my amendment on mandatory loans is an economic fallacy. However, on behalf of the corn group of Illinois, Indiana, Iowa, and the other corn-producing States, may I say we feel so keenly about this amendment that we are willing to underwrite this so-called economic fallacy. In other words, under this amendment if we sustain a loss, such loss will be charged to and become a lien upon the allotment of funds to that particular basic commodity by the Secretary of Agriculture the following year. Therefore, there is not a single chance, under this amendment, for anyone to lose anything, other than the corn producer himself. Assuming that beneficial payments go to the corn producers in the sum of \$100,000,000, assuming further that the corn men had a loss of \$10,000,000 on loans the year before, \$90,000,000 would be distributed among the corn producers of my section instead of \$100,000,000.

This is what we who are in the Corn Belt section of this Nation think about mandatory loans so far as stabilizing the price of corn is concerned, and without this kind of amendment, Mr. Chairman, you have not a single thing in this bill looking toward a stabilization of a decent corn price for the farmers of this country, and I hope you will act favorably upon the amendment.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, this would make the loan mandatory and at the same time make any losses payable out of the next year's soil-conservation payments to the corn producers. I do not think even the corn producers would want such a provision. There would be some of them, for example, holding just a small amount—

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. GILCHRIST. Is it not true that if this amendment is passed it will then penalize the honest man who does pay his debts to the Corporation, because the next year it will be taken out of his hide on account of the fact his neighbor who is dishonest did not pay his debt to the Credit Corporation?

Mr. JONES. It seems to me that argument would enter into it. Any losses would be payable out of the fund for soil conservation, and that is mixing the two pretty badly, and I think any proposition of that sort ought to be given very careful consideration, and I doubt that the corn men themselves would want it.

Mr. ANDRESEN of Minnesota. Following the chairman's statement, all the corn farmers will be charged with any losses irrespective of whether any loans were made to them or not.

Mr. JONES. That is correct.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. LUCAS. I will say to the distinguished chairman that we will go along with wheat, cotton, corn, and every other basic commodity upon that basis, and if a loss is sustained it will be charged to the particular fund the following year.

Mr. JONES. I would not want to commit myself on that.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. GILCHRIST. What is the equity in putting a charge on all the farmers who raise corn by making them pay for the defaults of the dishonest farmer who does not pay his debts?

Mr. LUCAS. What I am trying to tell the gentleman from Iowa and other Members of this House is that the stabilization program is what we need and the sacrifice of one farmer in this connection is infinitesimal in comparison with the benefits of a national stabilization program.

Mr. GILCHRIST. And I am trying to show the inequity of making one man pay for another man's default.

Mr. JONES. Mr. Chairman, I withdraw the reservation of a point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. Lucas].

The question was taken and on a division (demanded by Mr. LUCAS), there were—ayes 38, noes 64.

So the amendment was rejected.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Mr. Chairman, I make this parliamentary inquiry for the purpose of clarifying the situation which will arise when we get back into the House in the matter of a separate vote on various amendments. The gentleman from Illinois [Mr. Lucas] earlier this afternoon, proposed an amendment to this section 201, which was agreed to. The amendment changed the language with reference to making loans on corn. That amendment was approved by the Committee. Later on the gentleman from Texas [Mr. Jones] offered an amendment. Whether or not it would have been held in order had a point of order been made against it I do not know. His amendment struck out all of the language beginning on line 14, page 14, and moved to strike out all of the language put into the bill by the amendment of the gentleman from Illinois [Mr. Lucas]. When we get back into the House and a separate vote is asked on the Jones amendment, assuming that the Jones amendment fails on a separate vote, does that then restore the bill before the House in its original form, or in the form as amended by the gentleman from Illinois [Mr. Lucas]? That is a matter I am sure many members would like to have clarified so that we will know what procedure to take in voting for or against the Jones amendment.

The CHAIRMAN (Mr. COOPER). In the first place, the question presented by the gentleman from Wisconsin is a question for the Speaker and not for the Chairman of the Committee of the Whole House on the state of the Union. However, the Chair states that in his opinion the question presented to the House for consideration would be a separate vote upon the amendment offered by the gentleman from Texas [Mr. Jones] and adopted in the Committee of the Whole, which struck out the amendment offered by the gentleman from Illinois [Mr. Lucas], previously adopted,

together with other language of the section. In the event the House should vote down the Jones amendment, then the original section 201 of the bill would be before the House for consideration.

Mr. BOILEAU. As amended by the Lucas amendment or not?

The CHAIRMAN. No; without that.

Mr. JONES. Mr. Chairman, I ask now that we take up the corn part of title III, and that it be read by title only, to be inserted in the RECORD, with the privilege of amendment at any point in that part.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the title.

The matter referred to is as follows:

PART II—MARKETING QUOTAS—FIELD CORN
LEGISLATIVE FINDING

SEC. 320. Field corn is a basic source of food for the Nation, and field corn produced in the commercial corn-producing area moves almost wholly in interstate and foreign commerce in the form of corn, livestock, and livestock products.

Abnormally excessive and abnormally deficient supplies of field corn acutely and directly affect, burden, and obstruct interstate and foreign commerce in corn, livestock, and livestock products. When abnormally excessive supplies exist, transportation facilities in interstate and foreign commerce are overtaxed, and the handling and processing facilities through which the flow of interstate and foreign commerce in corn, livestock, and livestock products is directed become acutely congested. Abnormally deficient supplies result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers.

Violent fluctuations from year to year in the available supply of field corn disrupt the balance between the supply of livestock and livestock products moving in interstate and foreign commerce and the supply of field corn available for feeding. When available supplies of corn are excessive, corn prices are low and farmers overexpand livestock production in order to find outlet for corn. Such expansion, together with the relative scarcity and high price of corn, forces farmers to market abnormally excessive supplies of livestock in interstate commerce at sacrifice prices, endangering the financial stability of producers, and overtaxing handling and processing facilities through which the flow of interstate and foreign commerce in livestock and livestock products is directed. Such excessive marketings deplete livestock on farms, and livestock marketed in interstate and foreign commerce consequently becomes abnormally low, with resultant high prices to consumers and danger to the financial stability of persons engaged in transporting, handling, and processing livestock in interstate and foreign commerce. These high prices in turn result in another overexpansion of livestock production.

Recurring violent fluctuations in the price of field corn resulting from corresponding violent fluctuations in the supply of field corn directly affect the movement of live livestock in interstate commerce from the range cattle regions to the regions where livestock is fattened for market in interstate and foreign commerce, and also directly affect the movement in interstate commerce of field corn marketed as field corn which is transported from the regions where produced to the regions where livestock is fattened for market in interstate and foreign commerce.

Substantially all the field corn moving in interstate commerce, substantially all the field corn fed to livestock transported in interstate commerce for fattening, and substantially all the field corn fed to livestock marketed in interstate and foreign commerce, is produced in the commercial corn-producing area. Substantially all the field corn produced in the commercial corn-producing area, with the exception of a comparatively small amount used for farm consumption, is either sold or transported in interstate commerce, or is fed to livestock transported in interstate commerce for feeding, or is fed to livestock marketed in interstate and foreign commerce. Almost all the field corn produced outside the commercial corn-producing area is either consumed, or is fed to livestock which is consumed, in the State in which such field corn is produced.

The national public interest requires that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. By reason of the administrative and physical impracticability of regulating the movement of livestock and livestock products in interstate and foreign commerce and the inadequacy of any such regulation to remove such burdens, such power can be feasibly exercised only by providing for the withholding from market of excessive and burdensome supplies of field corn in times of excessive production, and providing a reserve supply of field corn available for market in times of deficient production, in order that a stable and continuous flow of livestock and livestock products in interstate and foreign commerce may at all times be assured and maintained.

DEFINITIONS

SEC. 321. For the purposes of this part—

(a) "Marketing year" shall be the period from October 1 of one year to September 30 of the succeeding year.

(b) "Total supply" for any marketing year shall be the carry-over of field corn for such marketing year plus the estimated production of field corn in the United States during the calendar year in which such marketing year begins.

(c) "Carry-over" for any marketing year shall be the quantity of field corn on hand in the United States at the beginning of such marketing year which was produced in the United States prior to the beginning of the calendar year then current.

(d) "Normal supply" shall be a normal year's domestic consumption and exports of field corn plus 7 percent of a normal year's domestic consumption and exports as an allowance for a normal carry-over.

(e) "Reserve supply level" shall be a normal year's domestic consumption and exports of field corn plus 15 percent of a normal year's domestic consumption and exports, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(f) (1) "Commercial corn-producing area" shall include all counties in which the average production of field corn during the 10 calendar years immediately preceding the calendar year in which such area is determined, after adjustment for abnormal weather conditions, is 400 bushels or more per farm and 4 bushels or more for each acre of farm land in the county.

(2) Whenever the Secretary has reason to believe that any county which is not included in the commercial corn-producing area determined pursuant to the provisions of paragraph (1), but which borders upon one of the counties in such area, is producing an average of at least 400 bushels of field corn per farm and an average of at least 4 bushels for each acre of farm land in the county, he shall cause immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that such county is likely to produce field corn in such average amounts during the succeeding marketing year, he shall announce such determination. Commencing with the first marketing year following such determination, such county shall be included in the commercial corn-producing area. Whenever the Secretary has reason to believe that any county included in the commercial corn-producing area pursuant to paragraph (1) or (2) of this subsection is not producing an average of at least 400 bushels of field corn per farm and an average of at least 4 bushels of field corn for each acre of farm land in such county, he shall cause an immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that the production of field corn in such county is likely to be at less than such rates during the current and next succeeding marketing years, he shall announce such determination. Commencing with the first marketing year following such determination, such county shall be excluded from the commercial corn-producing area.

(g) "Normal year's domestic consumption" shall be the yearly average quantity of field corn, wherever produced, that was consumed in the United States during the 10 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(h) "Normal year's exports" shall be the yearly average quantity of field corn that was produced in the United States and exported therefrom during the 10 marketing years immediately preceding the marketing year in which such exports are determined, adjusted for current trends for such exports.

(i) "Marketed" shall be the disposition by sale, barter, exchange, or gift, or by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, exchanged, or given away, or to be so disposed of. The term "for market" means for disposition in any such manner.

(j) "Normal yield" for any farm shall be the average yield per acre of field corn for the farm during the 10 calendar years immediately preceding the year in which such normal yield is used in computing any farm marketing quota or adjustment thereof, adjusted for abnormal weather conditions and trends in yields. If for any such year the data are not available, or if for any reason there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year. If on account of drought, flood, insect pests, or other uncontrollable natural cause the production in any year of such 10-year period is less than 75 percent of the average (computed without regard to such year), such year shall be eliminated in calculating the normal yield per acre.

(k) "Normal production" as applied to any number of acres of field corn means the normal yield for the farm times such number of acres.

(m) The term "farm acreage allotment" means the acreage allotment made to a farm pursuant to section 328.

FARM MARKETING QUOTAS

SEC. 322. (a) Whenever in any calendar year the Secretary determines from available statistics of the Department, including the August production estimate officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of field corn

as of October 1 will exceed the normal supply thereof by more than 15 percent, marketing quotas shall be in effect in the commercial corn-producing area for the crop of corn grown in such areas in such calendar year.

(b) The Secretary shall determine, on the basis of the estimated average yield of field corn in such area for such crop, the acreage in such area which would provide that amount of field corn which the Secretary determines would make available for the marketing year beginning October 1 a supply (together with the estimated production of field corn in the United States outside such area) equal to the normal supply. The percentage which the number of acres so determined is of the total number of acres of the acreage allotment under section 327 shall be announced by the Secretary. Such percentage is referred to herein as the "marketing percentage." The difference between 100 percent and the marketing percentage is referred to herein as the "storage percentage." The number of acres devoted to field corn on each farm in the commercial corn-producing area which is in excess of a number equal to the marketing percentage of the farm acreage allotment of such farm is referred to herein as "surplus acres."

(c) The Secretary shall announce his determinations of facts under subsection (a) and his determination of the marketing percentage under subsection (b) not later than August 15.

(d) Within 20 days after the date of the issuance of the announcement as provided in subsection (c) of this section, the Secretary shall conduct a referendum of all farmers who would be subject to such quotas to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, prior to September 10, announce the result of the referendum and such quotas shall not become effective.

(e) Whenever it shall appear from the September production estimates officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of field corn as of the beginning of the next succeeding marketing year will be less than the normal supply plus 15 percent thereof, the Secretary shall announce such fact prior to September 20, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall not become effective.

AMOUNT OF FARM MARKETING QUOTA

SEC. 323. (a) The farm marketing quota for any farm shall be the actual production of field corn on the farm less the storage amount applicable to the farm, as ascertained under section 324.

(b) No farm marketing quota with respect to any crop of field corn shall be applicable to any farm on which the normal production on the acreage planted to field corn is less than 400 bushels.

(c) No farm marketing quota with respect to any crop of field corn shall be applicable to any farm in the storage amount applicable to the farm, as ascertained under section 324, is less than 100 bushels.

(d) No farm marketing quota with respect to any crop of field corn shall be applicable to any farm if the acreage planted to field corn on the farm does not exceed the marketing percentage of the farm acreage allotment.

STORAGE AMOUNTS

SEC. 324. (a) No corn used for silage: If the acreage planted to field corn on the farm exceeds the marketing percentage of the farm acreage allotment, the storage amount shall be the normal production of the surplus acres.

(b) Rule if corn used for silage: If the acreage used for silage is not in excess of the farm acreage allotment, the storage amount shall be the normal production of the acreage, if any, in excess of the acreage allotment, plus the normal production of the storage percentage of that part of the acreage allotment which is not used for silage. If the acreage used for silage is more than the farm acreage allotment, the storage amount shall be the normal production of the acreage not used for silage. The storage amount for a farm on which corn is used for silage shall in no case exceed the storage amount which would be applicable if none of the corn were used for silage.

(c) Limitation on storage amount: In no case shall the storage amount exceed the difference between the estimated total production of field corn on the farm and the normal production of the marketing percentage of the farm acreage allotment.

PENALTIES

SEC. 325. (a) Any farmer who, while any marketing quota is in effect with respect to any crop of field corn, markets any field corn from such crop in excess of his farm marketing quota shall be subject to a penalty for the excess so marketed at the rate of 15 cents per bushel.

(b) A farmer shall be presumed to have complied with his farm marketing quota with respect to any crop as long as there is stored under seal on his farm an amount of field corn equal to the storage amount applicable to his crop, as ascertained under section 324. If there is not stored under seal on the farm an amount of field corn equal to such storage amount, the farmer shall be presumed to have marketed field corn in excess of his farm marketing quota to the extent that the amount of field corn stored on the farm is less than such storage amount. In any action brought to enforce the collection of penalties provided for in this section, the farmer shall have the burden of proving that he did not market field corn in excess of his farm marketing quota.

(d) The penalties provided for in subsection (a) of this section shall be collected and paid in such manner, at such time, and

under such conditions as the Secretary may by regulations prescribe. Such penalties shall be collected under the direction of the Secretary, and shall be covered into the general fund of the Treasury of the United States.

ADJUSTMENT OF FARM MARKETING QUOTAS

SEC. 326. (a) If at any time the Secretary has reason to believe that the farm marketing quotas in effect are preventing a supply of field corn equal to the normal supply from being available during the current marketing year, he shall cause an investigation to be made with respect thereto. In the course of such investigation due notice and opportunity for hearing shall be given to interested persons. If upon the basis of such investigation the Secretary finds the existence of such fact, he shall announce the same forthwith. He shall also in such announcement specify such increase in, or termination of, existing quotas as he finds, on the basis of such investigation, is necessary to make available during such marketing year a supply of field corn (together with the field corn available outside the commercial corn-producing area) equal to the normal supply. Whenever such announcement specifies an increase in the marketing quotas, the storage amount of field corn ascertained under section 324 shall be adjusted downward to the amount which would have been required to be so stored if such increased marketing quotas had been originally announced by the Secretary. Whenever such announcement provides for the termination of marketing quotas, storage under seal with respect to such quotas shall no longer be required.

(b) Whenever in any county or other area the actual production of field corn plus the amount of corn stored under seal in such county or other area is less than (1) the normal yield times the acreage allotment, if there are no marketing quotas with respect to such production, or (2) the normal yield times the percentage of the acreage allotment specified in the Secretary's quota announcement, if there are farm marketing quotas with respect to such production, storage under seal in such county or other area with respect to such quotas may no longer be required.

(c) Whenever, upon any farm, the actual production of field corn is less than (1) the normal yield times the acreage allotment, if there are no farm marketing quotas with respect to such production, or (2) the normal yield times the percentage of the acreage allotment specified in the Secretary's quota announcement, if there are farm marketing quotas with respect to such production, there may be marketed from such farm an amount of field corn from the field corn stored under seal pursuant to section 324 which, together with the actual production of the then current crop, will equal (3) the normal yield times the acreage allotment, if there are not farm marketing quotas in effect with respect to such current crop, or (4) the normal yield times the percentage of the acreage allotment specified in the Secretary's quota announcement if there are farm marketing quotas in effect with respect to such current crop.

ANNOUNCEMENTS OF SUPPLIES AND COMMERCIAL CORN-PRODUCING AREA

SEC. 326. Not later than September 1, the Secretary shall ascertain and announce the total supply, the normal supply, and the reserve supply level for such marketing year. Not later than February 1, the Secretary shall ascertain and announce the commercial corn-producing area.

ACREAGE ALLOTMENT

SEC. 327. The acreage allotment of field corn for any calendar year shall be that acreage in the commercial corn-producing area which, on the basis of the average yield for field corn in such area during the 10 calendar years immediately preceding such calendar year will produce an amount of such field corn which the Secretary determines will, together with field corn produced in the United States outside the commercial corn-producing area, make available a supply for the marketing year beginning in such calendar year, equal to the reserve supply level. The Secretary shall announce such acreage allotment not later than February 1 of the calendar year for which such acreage allotment was determined.

APPORTIONMENT OF ACREAGE ALLOTMENT

SEC. 328. (a) The acreage allotment for field corn shall be apportioned by the Secretary among the counties in the commercial corn-producing area on the basis of the acreage devoted to the production of such field corn during the 10 calendar years immediately preceding the calendar year in which the apportionment is made (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period.

(b) The county acreage allotment for field corn shall be apportioned by the Secretary, through the local committee, among the farms within the county on the basis of tillable acreage, crop-rotation practices, type of soil, topography, and production facilities. Notwithstanding any other provision of this section, if, for any reason other than flood or drought, the acreage of field corn planted on the farm is less than 80 percent of the farm acreage allotment for field corn, the farm acreage allotment shall be 25 percent in excess of such planted acreage.

PUBLICATION AND REVIEW OF QUOTAS

SEC. 329. The farm marketing quotas established for field corn for farms in a county or other local administrative area shall be made available for public inspection, and may be reviewed, in the manner provided in part VI of this title.

Mr. REILLY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. REILLY: Page 32, line 13, after the word "corn", insert "except field corn used for silage purposes".

Mr. REILLY. Mr. Chairman, I do not know whether the amendment I have prepared and sent to the Clerk's desk will accomplish the purpose I have in view or not. I am interested in the silage part of this bill. Eighteen counties in Wisconsin come under the commercial corn production of this bill, three of them being in my district. My own opinion is that corn acreage converted into silage and used largely for milk-production purposes should not have been included in this bill. However, I find that the word silage is used in so many places in the bill and is so interwoven with the terms of the bill that it is a difficult problem to tell just how to amend the bill to accomplish the purpose I have in view. The larger part of the field corn produced in Wisconsin and in my district is converted into silage and is used in the production of milk.

I cannot see that corn used in the making of silage has or can have any effect upon the price of corn sold in the channels of trade, and for that reason I do not think that silage corn should have been included in this bill. Silage is not sold but is consumed on the farm. If the farmers should be cut in the use of silage, they will not use corn, but they will use other substitute feeds that are more valuable as milk producers. Under the terms of this bill a farmer may produce as much silage as he can use. That is, he can exceed his corn-acreage quota in the production of silage, but he cannot use any other corn grown on his farm for other than silage purposes.

That is, it would appear that a farmer who had exhausted his corn-acreage quota into the production of silage cannot raise and use on his farm corn to feed his chickens or any pork that he might want to raise for home consumption.

The great majority of farmers in the State of Wisconsin who grow corn for silage purposes seldom, if ever, grow corn to sell. They are not in the commercial corn business and it would seem that the silage phase of the corn question ought to be considered in determining corn quotas for farmers who grow corn largely to be used as silage.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. REILLY. Yes.

Mr. ANDRESEN of Minnesota. The purpose of the gentleman's amendment is to exclude silage from the provisions of the bill?

Mr. REILLY. Yes.

Mr. ANDRESEN of Minnesota. So that the storage quota and the marketing quota in this bill will refer only to matured field corn?

Mr. REILLY. Yes. Matured field corn. To begin with, there are thousands of acres of silage corn that is cut before it is matured. In fact the farmers grow a special brand of corn to be used for silage purposes.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. REILLY. Yes.

Mr. REES of Kansas. The gentleman realizes that this silage is really green unmaturing corn and does not compete with the feed that goes into the channels of trade, and further there is only about 5 percent of corn that really goes into the silo and it is green and not matured.

Mr. REILLY. I think the gentleman is correct. Silage corn does not in any way compete with commercial corn.

Mr. LUCAS. Will the gentleman yield?

Mr. REILLY. Yes.

Mr. LUCAS. I appreciate what the gentleman is attempting to do, and I will state that it will be taken care of in a later section in connection with silage. I think the gentleman's amendment will not accomplish what he wants done because the gentleman is speaking solely about commercial corn-producing areas. If I understand, the gentleman's district is outside the corn-producing area.

Mr. REILLY. No. Three counties of my district are within the corn-producing area. The bill does not affect the amount of silage that my farmers can use, but it does affect them if they exhaust their quota with silage corn, then they cannot use corn in any other way on the farm.

Mr. LUCAS. There is a 100-bushel exemption.

Mr. REILLY. Yes; but that would not be a sufficient exemption.

Mr. LUCAS. I will say that we are going to take care of the gentleman's proposition later.

Mr. REILLY. I am pleased to hear the gentleman make that statement.

Mr. KNUTSON. Will the gentleman yield?

Mr. REILLY. I yield.

Mr. KNUTSON. When corn is placed in the silo it has no more effect on the price of corn than on hay.

Mr. REILLY. Only as hay might be used to fatten cattle.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to say a word for the reassurance of those Members who may fear that if this legislation is passed the Corn and Wheat Belts will go back to a state of nature and become a howling waste.

Many fine things have been said in this debate about the gentleman from Texas [Mr. JONES], chairman of the Committee on Agriculture. I want to approve of every word that has been said of him; but I want to say something about two other members of the Committee on Agriculture, two minority members, the gentleman from Kansas [Mr. HOPE] and the gentleman from Iowa [Mr. GILCHRIST]. The gentleman from Kansas [Mr. HOPE] represents the greatest wheat-growing district in the United States. I need not tell you that the gentleman from Iowa [Mr. GILCHRIST] comes from the State where the tall corn grows. The fact that those two gentlemen are supporting this legislation, in the main, I am frank to admit, has a very persuasive influence with me. I know that "they know their onions," meaning in this case corn and wheat. They are able and fair men. In addition to that, they have been members of the Committee on Agriculture for many years. They did not sign the minority report on this bill, and they are for this bill mainly as is, quotas and all. In case of doubt, I frankly concede that the attitude of those two gentlemen, on the minority side though they are, have as much influence with me on this legislation as the opinion of any two Members of this House.

Another thing, out of the fog and smoke of this debate—and it is the worst I have ever heard in my tenth year in Congress—one thing is clearly emerging in my mind, and I want to say it for the reassurance of those Members who might think that the corn and wheat farmers are being regimented and being driven out of business. That is this, that there is no practical crop control or crop reduction in corn and wheat in this bill. It is true, there is a theoretical reduction under the application of quotas, but I have some figures which go to show that those quotas are so high that they will not limit or restrict the production of corn or wheat.

Now, you may think I am going over on the left side of the aisle altogether when I tell you that I got these figures from the minority mathematician of the Committee on Agriculture, our genial friend from Minnesota [Mr. ANDRESEN]. Let us take wheat first. Before the quota can go on wheat, they are permitted to produce, plus the carry-over, from 1,027,000,000 to 1,100,000,000 bushels of wheat; but in 1937 the wheat price completely broke down on a total of 977,000,000 bushels. Our wheat market this year broke down on fifty to one hundred million bushels less than they will be permitted to raise in 1938, if the law goes into effect.

Now let us take corn. Before the quota can go on corn they are permitted, with the corn crop carry-over, to go to 2,900,000,000 bushels. The corn crop this year was only 2,700,000,000, yet the corn market broke down this year before the crop was even harvested.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask permission to proceed for 5 additional minutes. This is my first and last talk on this bill under the 5-minute rule.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Even before the corn crop was harvested, corn began to tumble in price until now it has gone down from \$1.45 a bushel to about 40 or 45 cents a bushel. Wheat has gone down from \$1.15 or \$1.20 to around 80 cents. So we have had demonstrated this year, beyond any argument, and there is no ground to get up here and dispute it, we have had it proved that with a less volume of production of wheat and corn than will be permitted under the law, both the wheat and corn markets were so badly broken down that this special session of Congress was called into being mainly for the purpose of rescuing those commodities, along with cotton, from the slump they have experienced. You have voted off the wheat quota. I look to see it go back in; but even if it goes back in, there will be no practical crop control under this bill next year. or, in my opinion, in any other year, because the quotas are set so high that the volume of production permitted will break the market down before the quotas are reached.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. LUCAS. With the surplus in corn production between that consumed domestically and that exported set at approximately 600,000,000 bushels what will be the financial situation?

Mr. MARTIN of Colorado. I thank the gentleman for his contribution. The financial situation will be bankruptcy for corn, but I want to attempt to express one more thought and then I am through with the bill. I want to say something now that may not be liked by groups pushing this and that amendment. As this debate has progressed, and it is the most controversial debate I ever listened to in Congress, another thought has been shaping in my mind, and I make a special appeal to all doubt-minded Members of this House. When the Committee rises and we go back into the House and there are separate votes on these material amendments that have been adopted in the Committee of the Whole, if there is any doubt whatever in my mind as to whether I am for or against one of these amendments, I shall go along with the bill and the Committee on Agriculture; that is what I propose to do, and I urge all like-minded Members to do the same. If you are in doubt about what you ought to do, give the benefit of the doubt to the Committee on Agriculture, which has put in so much time under such able leadership working this bill out.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. ANDRESEN of Minnesota. The gentleman has pointed out the ineffectiveness of this legislation, and it will not do any good at all. What does the gentleman propose that we should do to aid the farmer on his 1937 and 1938 crops?

Mr. MARTIN of Colorado. One of the things that I would do in 1938 would be to lower the quotas and pay him benefits for compliance. I would certainly lower the quotas. I want to say again that I am a crop-control man. I believe that the agriculture of this country is going to be confronted with control and regulation, just as industry controls and regulates itself, or it is going to be confronted with anarchy and bankruptcy, just as it has been the last 15 years. I am for this legislation as far as it goes. I wish it went further in the way of crop control and compulsory crop control, because these 6,000,000 units scattered all over the country can never function as one unit; that has been demonstrated. They have got to have supervision and aid from the Government. There must be rewards and sanctions so far as that is concerned; and I admit it frankly.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. JOHNSON of Oklahoma. What about Colorado potatoes? Does the gentleman think there ought to be some control of potatoes?

Mr. MARTIN of Colorado. I will say to the gentleman that Colorado potatoes have recently gone under a national marketing agreement; and there is control in it, too. Under it the Department of Agriculture can grade potatoes out of interstate commerce. I wish that every farm commodity could come in under a national marketing agreement. I wish it could be voluntarily controlled. I wish the farmers could get together and do it for themselves. I know they cannot, and that it never will be done short of compulsory control, subject, of course, to the referendums carried in the bill.

In closing, Mr. Chairman, I say again that I am going along with the bill and with the committee when I am in doubt on any vote after the Committee rises and we get to voting on these amendments in the House, and I appeal to all Members in case of doubt to do likewise. [Applause.]

[Here the gavel fell.]

Mr. BIERMANN and Mr. FISH rose.

The CHAIRMAN. For what purpose does the gentleman from Iowa, a member of the committee, rise?

Mr. BIERMANN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent that all debate on this particular amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. WADSWORTH. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, the committee in considering the quotas on corn acreage gave every consideration possible to silage. I think if the gentleman from Wisconsin will look back further under the quota provisions he will see that we took very good care of silage. The committee had to establish a commercial corn-growing area, it had to have some kind of formula for it.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. REILLY. On page 38 of the bill, line 15, I read:

If the acreage used for silage is more than the farm acreage allotment, the storage amount shall be the normal production of the acreage not used for silage.

Mr. BIERMANN. That is the total of the corn planted, not used for silage, in this case.

Mr. REILLY. No. Under this provision if a farmer should have an allotment of 40 acres and he had 40 acres in silage he could have no more corn.

Mr. BIERMANN. That is right. He would have to store the production of the surplus acres.

Mr. REILLY. That ought to be remedied.

Mr. BIERMANN. Does the gentleman want to treat the man who raises corn for silage differently from the man who raises corn for other purposes?

Mr. REILLY. He ought to be treated differently but I do not expect to be able to overturn the whole philosophy of the bill. The committee had no business to put silage in the corn provision at all.

Mr. BIERMANN. Certainly silage competes with corn.

Mr. REILLY. Not at all. If the farmers do not have silage they would use middlings, bran, oil cake, oats, or barley, not corn.

Mr. BIERMANN. If this amendment is adopted it would throw the entire philosophy of a commercial corn-producing area out of joint.

By adhering to the provisions of the bill we get a definite, contiguous area covering the commercial corn-producing sections of the country. If the gentleman's amendment is adopted, God only knows where that area will stop or begin.

Mr. REES of Kansas. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Does the gentleman realize about 4.21 percent of the total of the corn acreage is being used for silage at the present time?

Mr. BIERMANN. I do not know the percentage.

Mr. REES of Kansas. Is it not a fact that according to the figures of the Department of Agriculture there is 10.17 percent of the corn used for hogging down in Oklahoma, Nebraska, and some in Iowa?

Mr. BIERMANN. I do not know the percentage. If you exempt all of those from the calculations how are you going to arrive at a commercial corn-producing area?

Mr. REES of Kansas. The silage goes into the silo as green feed. It is used in the same way that alfalfa or clover is used or cane, sorgo, and those other products that are put in the silo. This product is not used in the same manner that corn, wheat, or other grain is used.

Mr. BIERMANN. What does the gentleman say about the corn that is hogged down? Would he say that should be exempted?

Mr. REES of Kansas. No; it should not be exempted. I would say silage should not be exempted any more than the corn that is hogged down.

Mr. BIERMANN. The proposed amendment here exempts silage. The gentleman then is against the amendment.

Mr. REES of Kansas. No. I am in favor of exempting silage.

Mr. BIERMANN. Then the gentleman would exempt hogging down corn too?

Mr. REES of Kansas. No. There is no use exempting it. It is not mentioned in the bill.

Mr. BIERMANN. The commercial corn-producing areas as defined in this bill produce only about three-fifths of the total corn in the country. When it comes to the quotas, which bear the load, three-fifths of the corn-producing area will bear the load of the five-fifths.

Mr. DIRKSEN. Why was corn divided into commercial and noncommercial areas?

Mr. BIERMANN. That was done as a matter of administration.

Mr. DIRKSEN. When they administered the wheat allotments under the original Agricultural Adjustment Act, in the State of Illinois, they accorded to counties as low as 680 bushels for a single county. If they could do it at that time, why can they not treat corn uniformly with wheat and make no distinction between commercial and noncommercial areas?

Mr. BIERMANN. I presume this arrangement is an improvement over the arrangement in effect before.

Mr. DIRKSEN. It is done for administrative purposes perhaps.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. FISH moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. DOXEY. Mr. Chairman, I make the point of order the gentleman does not offer a preferential motion and is not therefore entitled to the floor.

The CHAIRMAN (Mr. COOPER). What is the ground of the gentleman's point of order?

Mr. DOXEY. Mr. Chairman, the same motion has been offered and voted on before for the purpose of gaining the floor. I would say, therefore, it is not a preferential motion.

The CHAIRMAN. The Chair is of the opinion that sufficient changes have been made in the bill and sufficient business has been transacted since a motion of similar character was offered, that the motion offered by the gentleman from New York [Mr. FISH] is now in order. The Chair overrules the point of order.

Mr. FISH. Mr. Chairman, the bill as now written is largely a cotton bill. It is largely a cotton-subsidy bill for the

benefit of the cotton growers of the South. Whether it will result in any good is an entirely different matter. You cannot have your cake and eat it, too. You cannot pay out Government loans at 12 cents or 9 cents and keep your world markets. The Congress has been trying to subsidize the cotton growers for 5 years, and just look at the disastrous results! We have lost one-half of our former cotton export trade, or 3,000,000 bales. We now find cotton selling at 7.8 cents per pound. What is the reason?

Mr. Chairman, there has been a large Democratic majority in Congress for 5 years. You have been indulging in all of these subsidy schemes, fantastic experiments, and economic fallacies, and still cotton goes down, down, and down. There was produced this year 10,000,000 more bales than the American people could consume in 1938. What earthly good will this bill do in such a situation? What will it profit the cotton States to have temporary artificial prices and wake up to find that even more of the foreign markets have been lost.

The gentleman from Texas, one of the most distinguished Members of the House, and certainly one of the most distinguished and able chairman of the Committee on Agriculture has had for a great many years, has taken this floor many times on this bill and in at least half of his speeches he has tried to explain the low price of cotton by saying the situation was brought about on account of the unholy iniquities of the high tariff. Still cotton goes down, down, and down to 7.8 cents a pound. The gentleman knows, as everybody else knows, that the Democrats have been in power in the Congress for 5 years, and that they could have controlled all tariff legislation. The fact is the House and the Senate abdicated their powers so far as control of the tariff is concerned and delegated those powers to the President and Secretary of State. He cannot therefore, with any fairness, go back 5 or 6 years and blame the low price of cotton upon the Republicans and a high tariff. That has not anything to do with it; but if it is claimed that the tariff rates do have something to do with it, then the blame rests squarely upon the President and Secretary of State, who control the making and the writing of tariff schedules under the reciprocity tariffs.

Mr. SIROVICH. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. SIROVICH. When the Republican Party was in power away back in 1926, they passed the only fair and just bill to put agriculture upon a parity with industry.

Mr. FISH. The gentleman is right.

Mr. SIROVICH. It was known as the McNary-Haugen Act. That bill took the world price for cotton, added the tariff, and put agriculture upon a parity with industry; yet the gentleman voted against that bill.

Mr. FISH. I made a mistake and admit it. I reintroduced the McNary-Haugen bill in the House 4 years ago and have urged it as the only constructive way of maintaining our foreign markets for our surplus cotton, corn, wheat, and other farm commodities. Let me say to the gentleman from New York, in 1926 cotton was selling for 14.4 cents and wheat at \$1.50 and corn at 90 cents. The Democrats are trying to get back to those Republican price levels and conditions when they talk about parity. They are trying to get back to the price levels in the year of 1926 under the Calvin Coolidge administration. From 1920 to 1930, under Republican administrations, the price of cotton averaged 17½ cents, and the tariff was not evidently much of a hindrance or harm at that time. It is preposterous to even blame the Democratic tariff for the lamentable and deplorable cotton price today.

Mr. HOUSTON. Will the gentleman yield?

Mr. FISH. For a brief question.

Mr. HOUSTON. Is not the McNary-Haugen bill the same as the Elcher-Massingale cost-of-production bill, which is going to be offered here tomorrow?

Mr. FISH. It is somewhat along the same line, and in principle is the same. I believe in the principle. I want to restore the world markets for the surplus-cotton crops of

America and the surplus wheat and corn crops. This is the purpose of both the bills referred to.

According to today's newspapers, the President on his return from his fishing trip in Florida stated at a press conference that "the business recession is just an assumption," and refused to propose any plans to combat it. The President ought to know the exact business, economic, and farm situation in the country better than anyone else, because, as he said:

We planned it that way, and don't let anyone tell you differently.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. JONES. Mr. Chairman, reserving the right to object, I understand debate on a motion to strike out the enacting clause is limited to 10 minutes.

The CHAIRMAN. The gentleman is correct.

Mr. JONES. I want to dispose of this motion. I am willing for the gentleman to have 1 additional minute, but I want to get through in the 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. It is no myth to the cotton growers, as we now consider the farm bill, that cotton is selling for 7.8 cents a pound after 5 years of regimentation, control, wand waving, and magical New Deal schemes, and impractical, visionary, and costly experiments. President Roosevelt has often said that he goes on fishing trips to get away from Washington to find out what the people are thinking about, and it may be that the fishing was good and there was no depression in the Gulf Stream.

However, if the President does not know that there is a serious depression in the country, for which he is solely responsible, and believes it is still a myth, he could easily find out from the millions of wage earners and farmers who have lost their jobs in the last 2 months, because it is no myth to them, particularly in the middle of winter. It is no myth to the workers in the steel industry, where production has been reduced from 85 percent to 35 percent in the last few months. It is no myth to 50,000 railroad employees who have lost their jobs, or to other tens of thousands of workers in factories and mills, and to American investors in securities. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I rise in opposition to the motion to strike out the enacting clause.

Mr. Chairman, I have served with the genial gentleman from New York [Mr. FISH] a number of years. I wonder if he has ever actually voted for any of the farm bills. As a matter of fact, whether he has or not, I claim, as I have stated repeatedly, that the appropriation of funds as an offset to the tariff is not a subsidy any more than the tariff itself is a subsidy. [Applause.] Whether or not farm commodities are at a high or a low price, so long as we have the tariff system an appropriation for such a purpose will not be a subsidy but restitution.

The gentleman talks about the Democrats being responsible. You know the Democrats fought the high tariff system for nearly 100 years. However, when a man gets an industry or two in his district, somehow he does not feel at liberty to vote against a tariff system. The Republicans got this country so permeated with this system that we could not dislodge it. Therefore, we took the fair method of extending the circle and bringing all Americans into the picture, the justice of which procedure I do not think anybody can gainsay.

As a matter of fact, the gentleman from New York refers to prices of farm commodities in 1926. During those years we had the oil scandal, we were living in a fool's paradise, chasing dollars, lending money by the billions abroad to sustain our price structure, and selling farm securities through the banking structure under Mr. Mellon to the American people, to a point where we were using up our capital, living in a fool's paradise, and riding toward the

rocks, which we ultimately and necessarily reached in the collapse of 1929, the like of which has not been seen on this or any other continent in the last 100 years. The gentleman's party must take responsibility for this wild debacle.

Of course, if a man borrows all the money he can get hold of, and if his credit is good, he can go out on a wild spree and have a good time for a few days, but the laws of nature and of nature's God bring retribution. This is what happened in 1929, 1930, 1931, and 1932, and I lay it at the door and at the feet of the gentleman's party. [Applause.]

I am sorry the gentleman has brought up the partisan question. No member of the committee raised the partisan question. This is a great national problem, and I am sorry the gentleman brings up that question. Regardless of whoever raises the question, however, there is a great job to do, a most difficult job even when everybody interested in the problem helps. I hope the Members of Congress will try to be helpful. I would not envy anyone the task of doing this job, with the assistance of my colleagues on the committee and whoever will be on the committee of conference, but it is a matter which happens to be our responsibility. We are going to do the best we can, and we need the help of everybody. If you have an honest difference of opinion, I have no complaint, but let us not complicate the problem by introducing extraneous matters. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. FISH] that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The motion was rejected.

Mr. WADSWORTH. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin.

Mr. Chairman, the gentleman from Wisconsin, in offering his amendment, has brought up what to my mind is a very important and practical question. It does not involve, I hasten to assure those of you who are patient enough to listen to me, a constitutional question. May I say before endeavoring to develop this discussion in the short time allowed me I am quite certain the gentleman's amendment is not effective for the purpose he has in mind. He will probably recognize that if he would go to page 38 and strike out the paragraph commencing in line 10 and ending in line 21 he will accomplish the major portion of his purpose. With that language stricken out, with a few corrective amendments in the preceding provision, I believe his whole purpose will be accomplished; and may I say to the gentleman and the Members of the House that the gentleman from Kansas [Mr. REES] has been preparing an amendment on this very question for the last 2 days, and perhaps it would be a good plan for the gentleman from Wisconsin and the gentleman from Kansas to put their heads together and perfect an amendment.

Now, Mr. Chairman, a word about silage. From a strictly practical standpoint silage is not a fat-producing portion of the ration of livestock. True it is that a good deal of silage is fed to beef cattle while they are being fattened, but the feeder who does it is compelled to add a generous ration of grain to the silage ration. Silage is nothing more nor less than a preserved green fodder. It is not transportable. It does not enter into commerce. I dare say that nine-tenths of the silage put into the silos in this corn area, as you are pleased to call it—and I am not in that area myself, so I speak without direct interest—is fed to dairy cows, and the dairy cow produces milk. The silage fed in this fashion has no relation whatsoever to the field corn covered in this bill, which is fed to hogs and steers for pork and beef products. It does not come in competition with what we know as field corn. It is not a part of the fattening ration either in the dairy barn where cattle are not supposed to get fat anyway—the fat goes into the milk pail—neither is it a competing ration in the feed lot where steers and hogs are fattened.

If this bill goes through in its present form and if I am right in interpreting the language found on page 38, line 10—and I suggest that every member of the committee read that

language and see if he is absolutely certain just what it means; I am a little bit in doubt about it—if this bill goes through, the acreage planted to silage corn is going to be counted just as the acreage planted to ordinary field corn, and if that acreage is in excess of the quota allowance, then the proportion of that silage, supposed to contain as one of its ingredients the mature grain—which it does not—will have to be estimated upon and put into storage.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BOILEAU. Does the gentleman mean it is his opinion that silage will have to be stored?

Mr. KNUTSON. If it is excess, it has to be stored.

Mr. BOILEAU. I think the gentleman from New York is in error.

Mr. WADSWORTH. Well, what is going to happen to it if it is in excess of the quota allowance?

Mr. BOILEAU. The purpose of this provision is to protect the dairy industry against corn being taken out of field corn and going into the storage of silage, and the effect of this provision in the bill is to protect the dairy industry, and if a person should reduce his field corn production and increase his silage production, then he will be required to store a larger percentage of his field corn. This will not be an inducement for his increasing his production of silage.

I think, with all deference to the gentleman, and I know he is greatly interested in the matter, he has a wrong slant on this matter.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. The 2 minutes will do me no good whatever unless I am allowed to use them myself.

I disagree with the gentleman from Wisconsin [Mr. BOILEAU] as to the effect of this legislation on the dairy industry, although I have been in deep sympathy with him in the move he made the other day in offering an amendment which, in my opinion, is essential to the preservation of the dairy industry.

You cannot persuade me that the corn feeder is going to be tempted by the terms of this bill, lacking the provision which I would like to see stricken out, to go into the dairy business. He is going to stay in the corn-feeder business. What I dread is that this particular provision will hit the dairymen straight in the face. If a dairyman finds he has planted a certain acreage of corn for silage purposes, as it has been his custom to do for years, or perhaps he may put in 10 more cows in his dairy barn and put in 10 more acres of field corn, then along comes the Secretary of Agriculture and states that the quota system is to be adopted and the silage corn must go under the quota system. This hits the dairyman straight in the face. He has to reduce the amount of silage he can feed his own cows to produce milk, and, unless I am very much mistaken, it has to be stored somewhere.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. REILLY. I think the gentleman is wrong.

Mr. WADSWORTH. He cannot have any excess.

Mr. REILLY. That is not excess silage. The provision is that if the acreage used for silage is more than the farm acreage allotment, the storage amount shall be the normal production of the acreage not used for silage.

Mr. WADSWORTH. The storage amount of what?

Mr. REILLY. The storage amount of corn.

Mr. WADSWORTH. What sort of corn?

Mr. REILLY. The point which I made before is this: I have farmers in Wisconsin who have 50 or 60 or 100 acres of silage on a 200-acre farm.

Mr. WADSWORTH. I can understand that perfectly.

Mr. REILLY. They can have 100 acres of silage, way above their quota, but they cannot have another acre of corn to use as shelled or husked corn.

Mr. WADSWORTH. In any event, while the gentleman and I may approach the matter from different directions, I believe his amendment is in the right direction.

Mr. JONES. Mr. Chairman, I understand that some gentlemen want to go a little further into this amendment. I ask unanimous consent that the silage question go over until tomorrow, with the amendments filed, in the RECORD, and that we now go into the matter of the committee amendment which Mr. LUCAS has, and also another amendment which is not a committee amendment, and dispose of those this afternoon.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the amendment offered by the gentleman from Wisconsin [Mr. REILLY] go over until tomorrow. Is there objection?

Mr. WILCOX. Mr. Chairman, I reserve the right to object. Does that mean that we will not proceed further than the corn section this afternoon?

Mr. JONES. It does.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KELLER. Mr. Chairman, I agree largely with what my friend from Colorado had to say, that there never was a time in my judgment when we need facts so much as we need them at the present time in considering this farm bill. I have been waiting for 3 or 4 days for an opportunity, without disturbing the natural sequence of ideas, to present to this body some facts which I think we will find very constructive. It is, therefore, with a great deal of pleasure that I at this time call the attention of this body to the speech of the distinguished Senator from Alabama, Mr. BANKHEAD, on the 29th day of November, which will be found in the CONGRESSIONAL RECORD on pages 443 and 444. As a supplement to his own excellent address Senator BANKHEAD inserted in the RECORD on pages 445, 446, and 447 an article which had appeared in the St. Louis Post Dispatch, written by Dr. Roscoe Pulliam, president of the Southern Illinois Normal University, located at Carbondale, in my home county of Jackson. This great school is my alma mater, and the very able writer of this article, Dr. Pulliam, is my intimate friend.

The first part of the article is the best short statement of the cotton situation I have ever heard, and should be read by every man who really wants to get a perfectly clear statement of the facts in relation to the shift in cotton purchases from the United States to other countries in the United Kingdom, France, Germany, and Italy. The statistical tables are included.

The second part of the article, exhibit B, is headed "A Defense of Crop Control." It ought to have been headed "A Complete and Unanswerable Justification of Crop Control," because that is exactly what it is. There is not a man in this House who is against crop control who can refute the statement of facts or the conclusion reached in that exhibit B. I call attention of any who may be voting for crop control on general principles to this statement of Dr. Pulliam's as furnishing them a very concise, very simple answer to all the objections and criticisms which have been or can be leveled against crop control, as being in the direct interest of the farmers of this country, as well as in the interest of every creator of wealth in America.

I have some pride in calling attention to the fact that Dr. Pulliam is not an importation into our Little Egypt, as southern Illinois is known, but is a native son grown to greatness in the same section that has produced Gen. John A. Logan; Col. Robert G. Ingersoll; Senator William E. Borah; the Great Commoner, William Jennings Bryan; and many others as great though not so well known as they.

I thank you for the opportunity of emphasizing that this is the time when we need facts in this case, assuring you that many of those required in considering this farm bill

will be found in the articles to which I have called the attention of the Members of this House. [Applause.]

Mr. LUCAS. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: Beginning on line 18, page 32, strike out paragraph (2) and insert:

"(2) Whenever prior to February 1 of any calendar year the Secretary has reason to believe that any county which is not included in the commercial corn-producing area determined pursuant to the provisions of paragraph (1), but which borders upon one of the counties in such area, or that any minor civil division in a county bordering on such area, is producing an average of at least 400 bushels of field corn per farm and an average of at least 4 bushels for each acre of farm land in the country or in the minor civil division, as the case may be, he shall cause immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that such county or minor civil division is likely to produce field corn in such average amounts during such calendar year, he shall announce such determination, and, commencing with such calendar year, such county shall be included in the commercial corn-producing area. In the case of a county included in the commercial corn-producing area pursuant to this paragraph, whenever prior to February 1 of any calendar year the Secretary has reason to believe that facts justifying the inclusion of such county are not likely to exist in such calendar year, he shall cause an immediate investigation to be made with respect thereto. If, upon the basis of such investigation, the Secretary finds that such facts are not likely to exist in such calendar year, he shall announce such determination, and commencing with such calendar year, such county shall be excluded from the commercial corn-producing area."

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. Yes.

Mr. ANDRESEN of Minnesota. Will the gentleman tell us the change made by this proposed amendment in respect to the bill in its present form?

Mr. LUCAS. The gentleman will remember that during the time the committee was meeting, the original draft of the bill provided not only the county as the unit, but any minor civil division, and that as we discussed that question we agreed at one time to eliminate the minor civil divisions because of administrative difficulties. Later on, when it was discussed with members of the Agricultural Department in the Secretary's office, we discovered that when we eliminate minor civil divisions we do this. In the commercial corn-producing area, if we eliminate minor civil divisions, we have only 48,578,000 acres, or a total production of 1,504,979,000 bushels, or 59 percent of the total crop. If you include these minor civil subdivisions, such as one township or more bordering on the commercial corn-producing area, you will have 54,780,000 acres, with a total production of 1,696,678,000 bushels, or 60 percent of the total corn crop. In other words, this puts several million acres of land back into the commercial corn-producing area and helps to that extent.

Mr. ANDRESEN of Minnesota. It means that about one-half of the acreage will be inside of the corn area and the other half will be outside of the area, but the larger production will be within the commercial corn area.

Mr. LUCAS. With this change the larger production is within the commercial corn-producing area, but before the change the larger acreage was on the outside.

Mr. ANDRESEN of Minnesota. Let me ask the gentleman, further, does the adoption of this amendment materially change the lines on the map which we had the other day, to enlarge the commercial corn area?

Mr. LUCAS. No; it does not change the map, as I understand it. This will be of tremendous benefit to the commercial corn-producing area, in view of the fact that we are required to carry all of the loans.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. LUCAS] has expired.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I know with what earnestness, seriousness, and anxiousness the Committee on Agriculture of this House has worked upon the farm bill of 1938. I know that this committee has done its level best under very trying circumstances and dealing with a problem which has manifold an-

gles. To satisfy one section of the country is often to render another section dissatisfied, and in legislating on one commodity, often another commodity receives unintentional but serious injury.

The distinguished chairman of this committee, from the State of Texas, has shown great ability in handling this bill in the House of Representatives where every discordant and adverse interest has asserted itself.

There are many good features about this bill which I think are distinct improvements over preceding legislation. The provision in this bill which provides that the term "normal yield" for allotment purposes shall be the average yield per acre covering the 5 immediately preceding years, is a distinct improvement over the previous arrangement. Under the old law the base or normal yield per acre did not fluctuate with the improvement of the land or the further deterioration of the land. It remained constant and became often an unfair yardstick for the average farmer.

Then, too, the amendment which has the sanction of the Committee on Agriculture which permits any farmer to produce up to 1,500 pounds of lint cotton without any penalty whatsoever, is a forward step toward aiding the little farmer to produce enough cotton to earn a living. It is estimated that there are approximately 2,600,000 cotton farmers within the United States; and, of course, an allowance of 3 bales of cotton of 500 pounds each for each producer will account for almost 8,000,000 bales. This will allow some 4,000,000 bales, varying according to the needs of the world for cotton, to be distributed among those farmers who raise considerably more than the minimum yield. At the same time it will guarantee to the smallest a better return for his year's work than has been permitted in many cases in the past.

As I have traveled through northern Louisiana I have talked to a great many farmers who own from 40 to 120 acres of land. Under the agricultural program of other days these farmers have been led to diversify and to plant only a portion of their farms in cotton and putting the other part in feed crops for their own consumption and the consumption of their livestock. Under the old A. A. A. these farmers have told me of the hardship which has been imposed upon them by the fact that their allotment has been reduced to the point where their entire year's work amounts to forty to a hundred dollars in cash.

As the bill before the House of Representatives stands today, at least this hardship will be to some extent corrected. As I read this bill, the base allotment will be arrived at by accepting as a yardstick a percentage of the entire acreage planted by a farmer and not by giving him credit only for the amount planted in cotton. Then, too, his condition will be somewhat improved by granting him, regardless of his acreage planted, freedom from penalties on the first 1,500 pounds of cotton which he raises. While I do not think that this is large enough to insure a farmer a fair living or to give him an opportunity to live on anything like the same scale that is set by the American standard of living, I do believe that it does mitigate the hardship which heretofore has been imposed upon the small farmer and is a distinct forward movement in the right direction.

The idea behind the present farm program in the United States is to place agriculture on a parity with industry. For over 75 years industry has been protected by high tariff walls which have yearly taken from the farming classes in our Nation hundreds of millions of dollars. The result of this situation has been to enrich industry and reduce agriculture to poverty.

Since this is our prime purpose, the need of agriculture is for a bonus to offset the amount being paid industry by virtue of our tariff walls. It has been indicated that the amount for the year 1938 to be used in bringing agriculture to a parity with industry will not exceed \$500,000,000. This, Mr. Chairman, is not enough money for these purposes. As this bill will work out, the cotton farmer of the South will receive no more than he has been heretofore paid for conformity with the soil-conservation program.

Since our purpose is to make payments to the farmers of the Nation to place them on a parity with industry, it oc-

curs to me that this could be done without a great deal of the red tape and procedure as set forth in the bills pending before both House and Senate. It is true an allotment must be given each farmer in order that the parity money available must be distributed correctly among the cotton farmers of the South; but in order that this be done it is not necessary that a complicated method be established, which we in Congress have difficulty in understanding, and which we cannot expect the millions of farmers of the Nation to understand.

I am impressed by the plan that the parity payment to the farmer should be made, as a matter of simple justice, to place the farmer on an equality with the tariff-protected industries of the Nation. Since this is our primary object, I believe that this can be done without restricting production. The farmer who desires to grow only in accordance with domestic needs and consumption can voluntarily curtail his production accordingly. The farmer who desires to grow a large amount of cotton, expecting to use some of it in export, will still be entitled to a payment which will place his operations on an equality with industry, and which will leave him free to speculate with his operations either on a large or a small scale. This is the plan which I think is best suited for the cotton production in the South, and this is the plan which I urge today.

Because of the conditions prevailing in Congress and because of the fact that legislation of this sort is still in its experimental state, I appreciate the fact that my plan has no chance at present of being adopted. I believe it is the plan which ultimately will bring about a solution of our problem. This plan has the advantage of placing agriculture on a parity with industry. It has the possibility of giving the farmer the same income and the same standard of living as those who are engaged in manufacturing enterprises. At the same time it does not restrict production of agricultural products, and permits the cotton farmer to produce or to fail to produce as he desires. If the price of cotton is high, this plan will give him much prosperity. If the price is low, it still permits him to earn a decent living and to care for himself, his wife, and his children as they should be cared for in this great country.

As the only bill before the House of Representatives at the present time is H. R. 8505, and this is the only way that we can hope to get any farm legislation through at this session of Congress, I hope to be able to vote for it. Another bill will be passed by the Senate and these two bills will be sent to conference. I appreciate the shortcomings of both bills, and I know that they are not going to be satisfactory to the farmers of the South. Since the conferees to be appointed by both House and Senate will have an opportunity to correct many of the mistakes made in these two bills, I want to give them this opportunity, reserving to myself the right to vote either for or against the bill as reported by the conference. My hope, however, is that the plan which I previously set forth in this speech may be the one which the Congress will ultimately enact as a solution of the farm problem.

I do not believe restriction of production will solve the problems of agriculture. I cannot believe that this idea is anything but a makeshift arrangement that must alternately give way to a wider distribution of farm products. I believe that the farm land of America is provided by Almighty God for the purpose of being used. I believe that every bale of cotton and every bushel of wheat has its place in the distribution of this universe. I believe that for every bushel of wheat and corn and every bale of cotton produced in America there are, some place in this world, people in need of food and clothes who will gladly use and sorely need these things.

As long as there is need for these commodities, either in this land or in foreign lands, our problem is not production but distribution. Our work here should accordingly be devoted to an attempt to solve the problems of distribution in the world today which has caused agriculture and industry at the present time to be so much out of joint. [Applause.]

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word for the purpose of asking the author of the amendment a question. I have not had time to read this long amendment, but I understand from the explanation given by the gentleman from Illinois that the adoption of this amendment will add acreage to the commercial corn area. It seems to me that the amendment will bring into the area any county in which there is found to be a township having a single farm on which 400 bushels of corn, or 4 bushels to the acre of the entire farm, is grown. In short, will the township unit control? For instance, I have the county of Lenawee within the commercial corn-producing area. Adjoining is the county of Jackson, which is not included. Under this amendment, if there is a single farm in the county of Jackson producing 400 bushels of corn, or 4 bushels to the acre, then will the entire county automatically come within the quota-controlled area?

Mr. LUCAS. It is my understanding that the counties which have been added under this amendment are contiguous to and border on the commercial corn area as set forth in the original bill.

Mr. MICHENER. I have the only three counties in Michigan in this controlled area. Adjoining one of those counties is another county. If there happens to be one farm in that county qualifying for quota control, will that condition automatically bring in the entire county? It seems to me, from a cursory reading of the amendment, that it would.

Mr. LUCAS. I do not agree with the gentleman on that at all.

Mr. MICHENER. Well, is that true or is it not?

Mr. LUCAS. I think the gentleman is in error.

Mr. MICHENER. Well, is the gentleman positive?

Mr. LUCAS. I think I understand this amendment, if the gentleman would just give me an opportunity to explain. It is my understanding that the farm you are now discussing bordered on the territory. That farm would possibly come within the amendment. But the gentleman is now talking about the rest of the farm land in that county not producing over 4 bushels to the acre, or 400 bushels to the farm. Consequently the rest of it would not be included in this bill.

Mr. MICHENER. That is what I am trying to find out. If there is one farm, for instance, on the opposite side of a county which is adjacent to a commercial corn-producing county, a distance of say 30 miles away, would that fact bring in the county, the township, or just the particular farm?

Mr. LUCAS. I just finished stating to the gentleman that the reason we put in the county subdivisions was to eliminate the rest of the county that the gentleman is talking about, but it might take in a township, provided that farm bordered upon that territory which is now designated in the commercial corn-producing area. If it is 30 miles away it would not be in, I will say to the gentleman.

Mr. MICHENER. The committee clerk indicates that this one farm might bring in the township in which the farm is located as the unit, but not the entire adjoining county. If this is true then the amendment simply changes the unit from county to township. This will add immeasurably to the expense of administration if these townships are to be scattered over all counties adjoining all controlled areas.

[Here the gavel fell.]

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. LUCAS. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: On page 34, line 24, before the word "or", insert "plant disease."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. LUCAS. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: Section number amendments in corn: Page 35, line 8, strike out "(m)" and insert "(1)."

Page 35, line 9, strike out "328" and insert "329."

Page 36, line 5, strike out "327" and insert "328."

Page 39, line 20, strike out "(d)" and insert "(c)."

Page 42, line 5, strike out "326" and insert "327."

Page 42, line 11, strike out "327" and insert "328."

Page 43, line 2, strike out "328" and insert "329."

Page 43, line 23, strike out "329" and insert "330."

The committee amendment was agreed to.

Mr. LUCAS. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: Page 36, line 20, after the word "referendum", insert a comma and the words "by secret ballot."

The committee amendment was agreed to.

Mr. VOORHIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS: Page 36, line 20, after the word "shall", insert "give due notice and an opportunity for a hearing upon the proposed marketing quotas for the purpose of permitting livestock and poultry feeders, and consumers in general, to present objections to the establishment of marketing quotas as provided in this section. After such notice and opportunity for hearing the Secretary shall."

Mr. VOORHIS. Mr. Chairman, all this amendment proposes to do is give a chance for those farmers who are consumers of corn to be heard at a hearing conducted by the Secretary, before quotas are put into effect. It so happens that in my district I have a large number of poultry raisers, small farmers, who in the past few years have had a very difficult time. They are marketing their eggs in a market over which they have absolutely no control whatsoever, a market that is controlled by people who buy and sell eggs, and manipulate prices so that when the poultryman has an abundance of eggs the price is kept very low, but when the poultryman has very few eggs and the speculator an abundant cold-storage supply the price is forced up. On the other hand, their cost of feed has been increased and will be increased in future by the degree to which the price of corn is raised. This amendment merely provides for giving to such farmers an opportunity to be heard under such circumstances. It is an attempt to make the bill a little bit better balanced. It is unfortunately true that the bill does not assist all agriculture but only the five commodities.

I believe very heartily that all farm prices need to be raised—prices to the farmer. I think one reason we have so much difficulty is that there is such a large spread between the price to the farmer and the price the consumer pays; and I hope the time will come when we are willing to sacrifice gambling in farm commodities for the purpose of reducing that spread. [Applause.]

The thing with which I am more immediately concerned, however, is this amendment. I do not think it will hurt the bill. On the other hand, I believe it will strengthen it. It is an amendment I should like to see adopted in order to give these consumers of corn who are farmers just as much as the corn growers a chance to be heard upon a matter which is of vital importance to them. They are farmers who are up against the same problems, but who have much less capital and much less backing than a great many of the farmers in America.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. DONDERO. Does the gentleman think this would in any way affect the price of the corn that his farmers have to buy?

Mr. VOORHIS. I am not sure; but at least it would enable them to be heard on the matter and to present their case.

Mr. DONDERO. If it did not, it would be useless to adopt the amendment.

Mr. VOORHIS. I understand, but presumably testimony would be taken and some publicity given to that which might have some effect.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. GILCHRIST. In how wide an area would the vote be taken under the gentleman's amendment?

Mr. VOORHIS. It had nothing to do with a vote, I will say to the gentleman.

Mr. GILCHRIST. I did not hear the gentleman's amendment read.

Mr. VOORHIS. It merely provides for hearings where poultry raisers, stock raisers, and consumers of corn may have an opportunity to be heard before the referendum is had.

Mr. GILCHRIST. After the hearings what would be the result?

Mr. VOORHIS. As I explained, my amendment would simply give these men a chance to present their case. I presume some publicity would be given to it and it might have the effect of putting them in a better position in the matter. It seems to me this is little enough to ask.

Mr. GILCHRIST. Would the gentleman have hearings all over the whole country?

Mr. VOORHIS. I do not conceive that they would be held over the whole country. I imagine that would be arranged by the Secretary much as similar things are done now under our farm program. There might be regional hearings.

Mr. GILCHRIST. Not confined to the corn area, but everywhere.

Mr. VOORHIS. That is right.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word of the amendment and I make this pro forma motion as the friend of the bill, in an effort to be helpful and constructive, and especially for the benefit of the members of the Committee on Agriculture, when I say that the allotment for field corn among farms as shown by section 328, paragraphs (a) and (b), page 43 is sound. The State allotments and the county allotments are made on the basis of the acreage devoted to the production of field corn, plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs, with adjustments for abnormal weather conditions and trends. The same yardstick substantially applies to allotments among farms within the county. This rule obtains with respect to the allotments of tobacco, as shown by section 2, subsection (c), paragraph (5), page 7. It obtains with respect to wheat, as shown by section 336, paragraphs (a), (b), and (c), pages 49 and 50.

I regret that this yardstick does not obtain in the case of cotton. I believe that the same yardstick should cover cotton, wheat, corn, and tobacco.

The soil, the topography, and production facilities vary in each county in Mississippi, and especially in the hill counties. The average farmer cannot be allotted a fixed percentage of the tilled acres without doing him injustice. In some counties the tilled acres are rough and not suitable to cotton. This is true in the hill counties in Mississippi, in creek bottoms and river bottoms and valleys. Some of the hill land is not suited to cotton; some of the bottom land is too wet; and some of the tableland is good cotton land. In allotting acres to farm in a county the type of soil, production facilities, topography, as well as tilled acreage, should be taken into consideration. This is recognized in the allotment of the 2½ percent of the State acreage on pages 6 and 7 of the bill.

I commend to the members of the Committee on Agriculture from the cotton States the wisdom of following the example of the members from the wheat, corn, and tobacco belts. Consideration should be given to tilled acreage. I call attention to a discrepancy in the tilled acreage provision of section 2 respecting wheat in the allotment among farms and the provision under the quota. Under the quota provision the allotment of acreage is on the basis not only of

tillable acreage but type of soil, topography, and production facilities. The quota provision has been stricken out of the bill, but if it is restored to the bill on the floor of the House or in conference I take it that the tilled acre basis in section 2 (c) will be made to conform to section 336, subsection (c), page 50 of the bill. I am not suggesting that tilled acreage should not be considered. There are other factors, however, than tilled acres. Types of soil, topography, production facilities, and crop-rotation practices are to be considered.

I emphasize the point that the wheat growers, the corn growers, and the tobacco growers have adopted the production yardstick rather than the prescribed percentage of tilled acres which obtains only in the case of cotton. I respectfully submit, in an effort to be helpful and to aid the cotton program, that the conferees should modify the prescribed percentage of tilled acres for cotton and adopt the same yardstick that has been adopted for wheat, corn, and tobacco.

The types of land in the greater part of the district that I represent are similar. The tilled acreage basis would probably be better for the Delta lands of Mississippi than for any other section of the State. In at least 60 percent of the counties of the State of Mississippi the tilled acreage basis would do an injustice. I am advised that the same situation obtains in other States from South Carolina to Texas. I am further advised that the Delta along the Mississippi River and the alluvial States from Cairo to the Gulf and the Black Belt of Texas would more nearly receive fair treatment under the tilled acreage basis than would any other sections of the Cotton Belt. Yet even in these counties there is enough variation in soil and topography to make uniform allotments on the basis of tilled acreage unfair in many instances.

I believe that the allotment should be made not only on the basis of tilled acreage but types of soil and topography of the land. This yardstick is right for corn, wheat, and tobacco. It should certainly be right for cotton. I believe that the tilled acreage basis alone for cotton will cripple the program. I trust that in conference the yardstick for cotton may be put on a parity with the yardstick for the other major commodities.

The tilled acreage yardstick for cotton will result in a smaller acreage being allotted to the smaller farms in the hills, and to a larger acreage being allotted to the larger farms in the so-called upland or hill sections of Mississippi and other States.

Moreover, the tilled-acreage basis in the valley or Delta counties will tend to increase the cotton acreage of the larger farms and decrease the cotton acreage of the smaller farms in those counties. I am speaking after having made investigation.

It is passing strange that if other commodities are entitled to a definite yardstick, as in the case of wheat, corn, and tobacco, cotton should be given an unfair and unworkable yardstick.

In behalf of the tilled-acreage apportionment the illustration is frequently used that a farmer in the upland areas of the Cotton Belt, cultivating 25 acres, has diversified, and that his neighbor across the road cultivating 100 acres has not diversified, but has planted all that he possibly could to cotton. The owner of the smaller acreage has diversified because it was more profitable, because his lands were not suitable for cotton, and because it was more profitable to grow other crops than cotton thereon. In the far greater number of cases the small farmer with 25 acres in cultivation has not diversified in an effort to make a living for his family, but has planted all of his 25 acres that he could to cotton. The tilled acreage operates against the small growers who have not diversified and who compose the great majority of small cotton growers, and the records of the Agricultural Administration will verify the statement.

It might be admitted that tilled acreage would benefit one farmer, but a careful analysis will show that while it may benefit one it would injure nine or more others. The program is for the general benefit. The tilled acreage yardstick is unsound. The production on the farm is the best rule or yardstick that has been proposed. Corn, wheat, and tobacco

have adopted the rule. No better one has been suggested or proposed.

The prescribed percentage of tilled acres which obtains only as to cotton will materially change the entire cotton set-up and cripple, if not disastrously injure, the cotton program. This is especially true inasmuch as there is another provision under the cotton sections that limits the maximum production on any farm in any county in any State to 60 percent of the acreage of the farm. I conclude by saying that the prescribed percentage of tillable acres applies only as among farms. It is a mistake to take the example of one farm and undertake to adopt a general rule that would help or hurt that farm. The family-size cotton farms have not diversified. It is desired to help them. In an effort to help the one out of the great number who have diversified, the remainder of the family-size farms would be injured by the tillable acreage basis. Farm and farmers are similar everywhere. I submit to the distinguished chairman of the Committee on Agriculture and to the cotton members of the committee especially that the cotton provisions cannot be right unless the provisions for wheat, corn, and tobacco are wrong. A rule should not be adopted unless calculations are made as to the effect of the rule in all counties and in all States. The prescribed percentage of tillable acres has all of the earmarks of being a rule intended to apply in some one or few instances of alleged diversified farming, but when applied to the great body of farmers would be most detrimental to those who need help most. I am not asking the members of the committee to rely upon my judgment. I respectfully suggest and recommend that they confer with the officials who have had charge of the administration of the programs and that they ask for facts and figures respecting the prescribed percentage of tillable acres before this unfair and unsound yardstick is fastened upon the cotton growers of the South.

The gentleman from South Carolina [Mr. FULMER] refers to tilled or valley lands on which 80 or 90 percent has heretofore been cultivated. He is confusing base acres with acres actually cultivated under the program. There has been a reduction from these base acres in the area that I represent of around 35 percent. There is less now than 60 percent planted. It is easy to make statements, but if the gentleman and the other Members from cotton districts will investigate, they will find out that in South Carolina on the small farms of 1 to 19 acres, family-size farms, the tilled acre yardstick will result in a larger percentage of reduction on those farms than on the large farms in that State. I have investigated the matter. Statements and conclusions must yield to facts. The same situation is applicable not only to South Carolina but to Georgia, Texas, Arkansas, and other cotton-growing States.

Mr. FULMER. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from South Carolina.

Mr. FULMER. In the gentleman's own section it may be you would get as much as 60 percent of the tilled acres because in that section you have planted a larger crop than in other sections of Mississippi. The matter of tilling and bales has been the trouble in the past.

Mr. WHITTINGTON. With deference, the gentleman begs the question. I will gladly answer. With the prescribed percentage tillable acreage yardstick, plantings in the past have no application. Under the yardstick all farms will plant the same percentage regardless of whether they have planted more than their proper allotment or less than their proper allotment in the past. For the gentleman's information, I will state that in the district that I represent I doubt if as much as 60 percent of the land is now planted to cotton. I repeat, he has confused base acres and planted acres. The production, as well as the tillable acres, are more beneficial to the small farmer. I want to help the bill. I am not asking you to take my statement; but, as the friend of the bill, I do ask you to call upon the Agricultural Department to advise you by giving you the facts in South Carolina and in other States as to the effect of the tillable acreage yardstick. When this has been done I am confident that

the gentleman from South Carolina will be the first to urge that the same basis be adopted for cotton as has been adopted for corn and other commodities.

[Here the gavel fell.]

Mr. LUCAS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. VOORHIS].

Mr. Chairman, if I understand the amendment submitted by the gentleman from California, it has no legal significance whatsoever. It merely provides that within 15 days of the referendum some sort of a hearing shall be held for the benefit of certain individuals who are interested or who may come to protest or do something else. In other words, the amendment is not of benefit to the bill. We went over the provisions of this particular phase of the legislation very carefully, and we believe it is better the way it is. I hope, therefore, the amendment offered by the gentleman from California will be voted down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment was rejected.

Mr. CARLSON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CARLSON: Page 37, line 12, after the period, add the following: "Provided further, That the quota provisions of this section shall not apply in any county where, during the previous year, the average yield of corn is less than 50 percent of the average yield for the 5-year period immediately prior thereto."

Mr. CARLSON. Mr. Chairman, I offer this amendment to deal with a practical situation. In the pending bill we are establishing a commercial corn area. I know from actual experience in this area that there are a large number of counties that did not produce corn this year and have not produced corn for from 3 to 5 years. If the amendment which I have offered is not agreed to, a quota may be established for these counties that did not produce 50 percent of a crop of corn.

I think this will result in one of two things. In the first place, these farmers are allowed to vote on whether or not we will have corn quotas. It takes only one-third of the farmers of the United States. Therefore, if we want corn quotas in the corn area, I think we should give these counties a leeway. To me it is a practical amendment, and I hope the chairman of the corn section of the Committee on Agriculture will accept the amendment, because it will have no effect on the great corn sections of the country. These counties for the past few years have not produced corn. It happens that they are in this corn quota. In some counties we have a large acreage in these farms, and it only takes 400 bushels per farm, or it takes 4 bushels per acre per farm.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. I call the gentleman's attention to a provision on page 38, line 22 of the bill, which reads:

In no case shall the storage amount exceed the difference between the estimated total production of field corn on the farm and the normal production of the marketing percentage of the farm acreage allotment.

Mr. CARLSON. I appreciate that.

Mr. ANDRESEN of Minnesota. This in part would correct the situation.

Mr. CARLSON. I still do not believe this corrects the situation when we have placed on a quota basis a farm which did not raise a corn crop for 1, 2, or 3 years, or in fact raised no corn. To establish quotas in those counties seems ridiculous and absurd, and these people will not vote to go in under a corn quota. I believe this amendment is an improvement to the bill.

Mr. ANDRESEN of Minnesota. Will the gentleman read his amendment if he has it there?

Mr. CARLSON. My amendment reads that—

The provisions of this section shall not apply in any county where, during the previous year, the average yield of corn is less than 50 percent of the average yield for the 5-year period immediately prior thereto.

This is in the commercial corn area only.

Mr. ANDRESEN of Minnesota. I have no objection to the amendment.

[Here the gavel fell.]

Mr. LUCAS. Mr. Chairman, may I ask that the gentleman's amendment be printed in the RECORD, so that I may study it overnight?

Mr. CARLSON. Mr. Chairman, I ask unanimous consent that my amendment may be considered as pending, to be acted on tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: On page 39, add a new subsection to read as follows:

"(e) The provisions of this section, 325, shall not be applicable to any farm on which the total acreage devoted to field corn less the acreage used for silage is 20 acres or less."

Mr. ANDRESEN of Minnesota. Mr. Chairman, if I may have the attention of the Committee with reference to this amendment—

Mr. GILCHRIST. Mr. Chairman, I wish to reserve a point of order on this amendment. I thought the matter of silage was going over until tomorrow by agreement.

Mr. ANDRESEN of Minnesota. I beg the gentleman's pardon, but this has nothing to do with silage.

Mr. Chairman, this amendment embodies the recommendation of the Secretary of Agriculture as originally made to our committee, exempting 20 acres of field corn. We have made exemptions for tobacco, exempting production of from 2,400 to 3,200 pounds of tobacco. We have made exemptions for 1,500 pounds of cotton. This amendment provides for an exemption of 20 acres of field corn before the marketing quota becomes effective.

Mr. JONES. Mr. Chairman, if the gentleman will yield, would the gentleman mind withholding his amendment and letting the Committee rise now, finishing his statement tomorrow?

Mr. ANDRESEN of Minnesota. I will be pleased to do so.

Mr. Chairman, I ask unanimous consent that my amendment may be considered as pending, to be acted on tomorrow, and that I be given time to speak on my amendment tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8505, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein certain excerpts in explanation thereof; and I make the same request in behalf of my colleague the gentleman from Texas [Mr. DIES].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with the housing bill and include a statement of my own in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUECKE of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter written by me to the Chairman of the Federal Trade Commission.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DOWELL. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks I made today.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. JONES. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. SNELL. Reserving the right to object, Mr. Speaker, does the gentleman believe the bill now under consideration will come to a vote by tomorrow night?

Mr. JONES. I may say I had hoped to get through the reading of the bill for amendment by tomorrow night, but I doubt that we can reach a vote by that time. I had hoped heretofore to reach a vote by tomorrow night, but I do not believe this is possible. We are going to try, at least, to finish the reading of the bill for amendment tomorrow.

Mr. SNELL. So the vote would come the first thing the next day?

Mr. JONES. The vote will probably come the next day.

Mr. SNELL. I have no objection, Mr. Speaker.

Mr. PATMAN. Reserving the right to object—and I shall not object—the Committee on Banking and Currency is considering the housing bill, which is considered a very important measure. This request will probably deprive us of the opportunity of holding a hearing tomorrow and will delay the presentation of the bill to the House.

Mr. JONES. Does not the committee meet near enough so it could hold a hearing?

Mr. PATMAN. The committee meets at 10:30 in the morning, and I do not think it would meet. Of course, I am not the chairman of the committee.

Mr. JONES. The extra hour will probably be taken up with a discussion of the corn features of the bill.

Mr. PATMAN. The gentleman does not believe this would interfere with the committee's meeting, then.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEMPSEY, on account of illness.

To Mr. FLANNERY, for Thursday, on account of death in family.

To Mr. QUINN, for 3 days, on account of official business.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, December 9, 1937, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes, in room 219, House Office Building, on Thursday, December 9, 1937, at 10 a. m.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. CROSSER's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on House Joint Resolution 389, distribution and sale of motor vehicles.

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on S. 1261, through-routes bill.

There will be a meeting of Mr. MARTIN's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 4, 1938. Business to be considered: Hearing on sales tax bills, H. R. 4722 and H. R. 4214.

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 11, 1938. Business to be considered: Hearing on S. 69, train-lengths bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

880. A letter from the Secretary of Commerce, transmitting the Twenty-fifth Annual Report of the Secretary of Commerce for the fiscal year ended June 30, 1937; to the Committee on Interstate and Foreign Commerce.

881. A letter from the Secretary of War, transmitting the draft of a bill for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama; to the Committee on Claims.

882. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report covering the activities of the Reconstruction Finance Corporation for the third quarter of 1937, and for the period from the organization of the Corporation on February 2, 1932, to September 30, 1937, inclusive (H. Doc. No. 452); to the Committee on Banking and Currency and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOCKWEILER: A bill (H. R. 8647) to provide for the establishment of minimum labor standards in employments in and affecting interstate commerce, and for other purposes; to the Committee on Labor.

By Mr. MOSIER of Ohio: A bill (H. R. 8648) to amend section 903 (a) (2) of the Social Security Act to permit the States to begin State unemployment compensation payments; to the Committee on Ways and Means.

By Mr. KLEBERG: A bill (H. R. 8649) to amend the Commodity Exchange Act, as amended, to extend its provisions to wool and other agricultural commodities traded in for future delivery; to the Committee on Agriculture.

By Mr. MAAS: A bill (H. R. 8650) to establish a Board of Civil Service Appeals; to the Committee on the Civil Service.

By Mr. CROWE: A bill (H. R. 8651) to authorize a preliminary examination and survey of Lost River and its tributaries in the vicinity of Orleans, Ind., with a view to providing flood protection for the town of Orleans; to the Committee on Flood Control.

By Mr. McGEHEE: A bill (H. R. 8652) to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes," approved February 28, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE of Ohio: A bill (H. R. 8653) to amend the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. CLARK of North Carolina: A bill (H. R. 8654) to amend the act entitled "An act authorizing the Secretary of

the Treasury to convey to the city of Wilmington, N. C., Marine Hospital Reservation", being chapter 93, United States Statutes at Large, volume 42, part 1, page 1260, approved February 17, 1923; to the Committee on Public Buildings and Grounds.

By Mr. DUNN: A bill (H. R. 8655) to provide \$200,000,000 for the prevention and the cure of cancer, infantile paralysis, tuberculosis, blindness, deafness, and other social diseases; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: Joint resolution (H. J. Res. 529) providing for the postponement of filing undistributed profits tax returns; to the Committee on Ways and Means.

By Mr. DORSEY: Joint resolution (H. J. Res. 530) authorizing the President to invite foreign countries to participate in the ceremonies to commemorate the one hundred and fiftieth anniversary of the national ratification of the Constitution of the United States in Philadelphia, Pa., June 17 to 21, 1938; to the Committee on Foreign Affairs.

By Mr. HEALEY: Joint resolution (H. J. Res. 531) to express the disapproval of Congress of the entering into of a reciprocal-trade agreement between the United States and Czechoslovakia; to the Committee on Ways and Means.

By Mr. SHANLEY: Joint resolution (H. J. Res. 532) creating a joint committee to hold hearings, study the antitrust problems in all their interlocking components and recommend legislation for the third session of the Seventy-fifth Congress not later than February 28, 1938; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN of New York: A bill (H. R. 8656) for the relief of James M. D'Arcy; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 8657) for the relief of Mary P. Fairfield; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8658) for the relief of Antone C. Teves; to the Committee on Naval Affairs.

By Mr. SACKS: A bill (H. R. 8659) for the relief of Harry George Drachmos; to the Committee on Immigration and Naturalization.

By Mr. SHEPPARD: A bill (H. R. 8660) for the relief of Ray Woolven; to the Committee on Pensions.

Also, a bill (H. R. 8661) for the relief of Roy Masters Worley; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3545. By Mr. CURLEY: Petition of the Chamber of Commerce of State of New York, urging immediate repeal of undistributed-profits tax and the capital-gains tax; to the Committee on Ways and Means.

3546. Also, petition of the employees of Army base, Brooklyn, N. Y., endorsing the McCormack bill establishing a 5-day week for Federal employees; to the Committee on the Civil Service.

3547. By Mr. JARRETT: Petition of the Warren County (Pa.) Pomona Grange, No. 10, opposing the Black-Connery bill; to the Committee on Labor.

3548. By Mr. BOYLAN of New York: Resolution adopted by the board of directors of the American Institute of Architects favoring the repeal of the surtax on undistributed profits; to the Committee on Ways and Means.

3549. Also, resolution adopted by the Chamber of Commerce of the State of New York, favoring the repeal of the undistributed-profits tax and a modification of the capital-gains tax; to the Committee on Ways and Means.

3550. By Mr. COFFEE of Washington: Resolution of the Central Labor Council of Seattle and vicinity, affiliated with the American Federation of Labor, wholeheartedly endorsing and urging the prompt enactment of House bill 8239, known as the Federal arts bill, introduced by Mr. COFFEE of Washington; to the Committee on Education.

3551. By Mr. CULKIN: Petition of the Union Grange, No. 5, Belleville, N. Y., with 180 members, opposing enactment of the wage-hour bill; to the Committee on Labor.

3552. Also, petition of the Northeastern Forest Research Council, urging the United States Department of Agriculture to take immediate steps for control of the European spruce sawfly through use of parasites; to the Committee on Agriculture.

3553. Also, petition of the Kirkland Grange, No. 684, Redwood, N. Y., opposing passage of the train-limit bill; to the Committee on Interstate and Foreign Commerce.

3554. Also, petition of the River Bank Grange, P. of H., No. 534, Lewis County, N. Y., opposing passage of the wage and hour bill; to the Committee on Labor.

3555. By Mr. KEOGH: Petition of the United Paperboard Co., New York City, concerning the undistributed-profits tax; to the Committee on Ways and Means.

3556. Also, petition of the Greater New York Retail Furnishings & Dry Goods Association, Inc., New York City, concerning the Patman bill (H. R. 4722), manufacturer-retailer bill; to the Committee on Interstate and Foreign Commerce.

3557. By Mr. MEAD: Petition of the National Maritime Union of Buffalo, N. Y., urging boycott of goods manufactured in Italy and Germany until those countries cease participation in Spanish difficulty; to the Committee on Foreign Affairs.

3558. By the SPEAKER: Petition of the American Legion, Kings County, N. Y., concerning American citizenship certificates; to the Committee on Immigration and Naturalization.

SENATE

THURSDAY, DECEMBER 9, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, December 8, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson, Colo.	Overton
Andrews	Davis	King	Pepper
Ashurst	Dieterich	La Follette	Pittman
Austin	Donahay	Lee	Pope
Bailey	Duffy	Lewis	Radcliffe
Bankhead	Ellender	Lodge	Reynolds
Barkley	Frazier	Logan	Russell
Berry	George	Lonergan	Schwartz
Bilbo	Gerry	Lundeen	Schwellenbach
Borah	Gibson	McAdoo	Sheppard
Bridges	Gillette	McCarran	Shipstead
Brown, Mich.	Glass	McGill	Smith
Brown, N. H.	Graves	McKellar	Steiwer
Bulkeley	Green	McNary	Thomas, Okla.
Bulow	Guffey	Maloney	Thomas, Utah
Burke	Hale	Miller	Townsend
Byrd	Harrison	Minton	Truman
Byrnes	Hatch	Moore	Tydings
Capper	Hayden	Murray	Vandenberg
Caraway	Herring	Neely	Van Nuys
Chavez	Hitchcock	Norris	Wagner
Clark	Holt	Nye	Walsh
Connally	Johnson, Calif.	O'Mahoney	

Mr. LEWIS. I announce the absence of the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES], who are detained from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

The Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate.